Trimac Corporation

1999 Annual Report

Trimac Transportation System • Rentway • Trimac Logistics

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Shareholders' Meeting: A meeting of shareholders of Trimac Corporation will be held Thursday, March 30, 2000 at 10:30 a.m. at the Metropolitan Centre, 333 Fourth Avenue SW, Calgary. Trimac shareholders are invited to attend and meet the directors and officers of the Corporation.

Trimac Corporation Profile

Trimac Corporation is an industrial transportation services corporation, providing services in highway transportation of bulk materials through Trimac Transportation System and truck fleet management services through Rentway. In addition, third party logistics services are provided through Trimac Logistics. The Corporation employs more than 6,400 people across North America. Trimac Corporation's common shares are traded on The Toronto Stock Exchange under the symbol TMA.

Trimac Corporation

Trimac Transportation System | Rentway | Trimac Logistics

Trimac Transportation System (TTS) provides highway transportation of bulk materials and related distribution and management services to industrial customers throughout North America. TTS is the premier North American bulk trucking company, with a proven reputation for safe, reliable service and the capability to transport a wide range of liquid, gaseous and dry bulk products.

TTS — As of December 31

	1999 (3)	1998
Power units (1)	**3,255**	2,030
Trailers	**5,838**	4,401
Employees (2)	**5,704**	3,981

(1) Owned and leased (2) Including leased operators
(3) Including DSI Transports, Inc., acquired in January 2000

TTS

($000's)	1999	1998
Revenues	**$ 450,578**	$ 443,392
Pretax earnings	**16,839**	19,236

(see page 7)

Rentway provides truck fleet management services including management reporting/budgeting and analysis, full-service leasing, rentals and contract maintenance services across Canada and several proximate U.S. markets. The company operates the most extensive network of heavy duty truck shops in Canada. Rentway is committed to adding value to its customers' businesses through the company's truck fleet management expertise and shop-based strategy.

Rentway — As of December 31

	1999	1998
Vehicles owned	**5,813**	5,717
Vehicles managed (1)	**10,134**	9,486
Employees	**792**	825

(1) Includes vehicles owned

Rentway

($000's)	1999	1998
Revenues	**$ 172,289**	$ 164,266
Pretax earnings	**5,083**	6,095

(see page 11)

North American Network of Facilities • TTS and Rentway

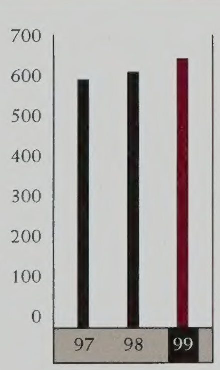
	Canada	U.S.A.	Total
Trimac Transportation System • Bulk Trucking			
Exisiting Operations	72	30	102
Newly Acquired DSI Operations	0	34	34
Rentway • Truck Fleet Management	36	5	41
Total	108	69	177

See map of facilities on page 40.

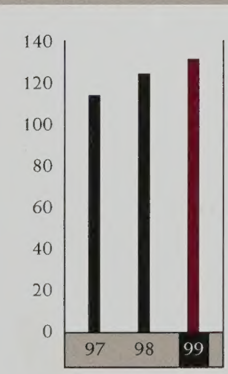
Recd MARCH 7, 2000

(thousands of dollars except per share and percentage amounts)	1999	1998	1997
Operating Results (year ended December 31)(1)			
Revenues	$ 624,229	$ 607,658	$ 597,669
Earnings before interest, tax, depreciation and amortization	130,698	124,747	118,393
Operating earnings (EBIT)	38,525	39,815	41,255
Earnings before unusual items	14,837	17,764	23,699
Earnings before equity accounted investments and minority interest	7,305	1,651(2)(4)	53,141(3)
Net earnings before equity accounted investments			
and unusual items (after tax core business earnings)	7,336	18,488(4)	13,623
per share	0.22	0.49(4)	0.34
Earnings before amortization of goodwill	6,710	9,306(2)(4)	62,534(3)
per share	0.20	0.25(2)(4)	1.54(3)
Net earnings	5,938	8,479(2)(4)	60,147(3)
per share	0.18	0.22(2)(4)	1.48(3)
Cash from operations	98,699	89,108	92,025
per share	2.93	2.36	2.27
Net capital expenditures			
Fixed assets	105,132	95,799	123,747
Acquisitions/investments	9,362	7,268	41,867
Proceeds on disposal of investments	31,765	59,644	9,475
Return on net assets	5.5%	4.3%(2)(4)	14.1%(3)
Return on equity	2.3%	3.0%(2)(4)	21.1%(3)
Financial Position (year ended December 31)			
Working capital	39,932	17,878	9,598
Total assets	751,055	736,347	788,150
Long term debt – Truck fleet management	214,430	203,833	186,423
– other	156,460 (5)	153,771(5)	126,096
	370,890	357,604	312,519
Shareholders' equity	254,635	258,031	317,664
Common Share Data			
Dividends paid	0.10	0.18(6)	0.18
Book value	7.55	7.65	7.82
Number of common shares outstanding (year end)	33,725,489	33,719,289	40,630,305

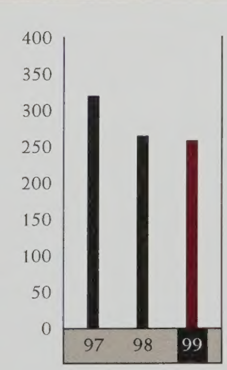
(1) Certain of the above amounts have been reclassified from those presented in prior periods. Net earnings, earnings per share and cash from operations are unchanged.
(2) Results in 1998 include an after tax write-down of $16.8 million ($0.45 per share) on the carrying value of certain investment interests.
(3) Results in 1997 include a net after tax gain of $39.5 million ($0.97 per share) on the sale of certain investment interests.
(4) Results in 1998 include a reduction of income tax expense of $9.5 million ($0.25 per share) relating to the recognition of the benefit of previously unrecorded tax loss carryforwards.
(5) Includes $51.9 million exchangeable debenture, which is repayable through the delivery of 1.58 million shares of Pioneer Natural Resources held by the Corporation.
(6) Includes $0.08 per share special dividend.



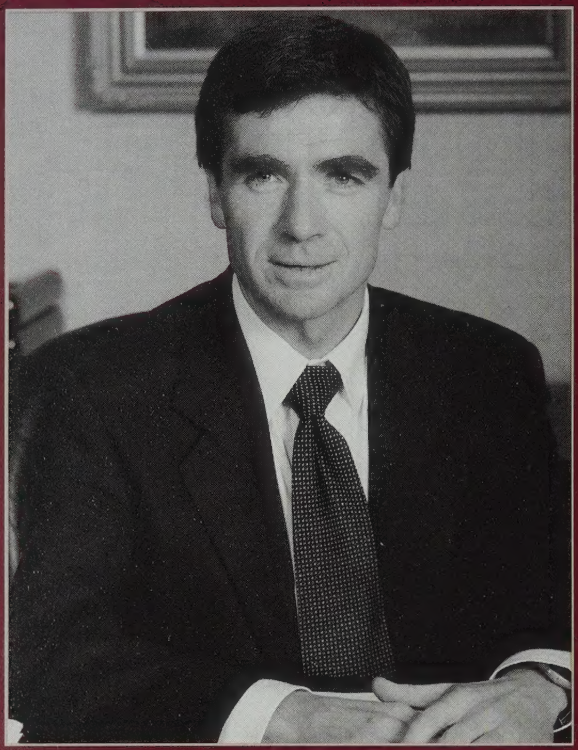
Revenues
(millions of dollars)



Earnings Before Interest, Tax, Depreciation & Amortization
(millions of dollars)



Shareholders' Equity
(millions of dollars)



Jeffrey J. McCaig
President & Chief Executive Officer, Trimac Corporation

"Management is committed to increasing shareholder value through our focus on the profitable growth of our transportation businesses. With the steps taken in 1999, management believes that Trimac is very well positioned to deliver on this commitment."

Report to Shareholders

Dear Shareholder:

Trimac Corporation's evolution to a focused transportation company continued in 1999. A definitive agreement to acquire DSI Transports was signed prior to year end and this major strategic acquisition was closed in mid-January. During the year we sold approximately $32 million of investment interests, bringing the total divestment or monetization of non-strategic investment interests since our February 1997 reorganization to over $150 million.

Earnings for 1999 in our bulk trucking business were below 1998 levels as relatively strong performance in eastern markets was more than offset by lower earnings in the western-based resource markets. Management anticipates that increased activity due to the ongoing recovery in commodity markets, together with initiatives of Trimac Transportation focused on leveraging information technology investments and other process improvements will result in improved margins in 2000.

The acquisition of DSI will enhance Trimac Transportation's position as the premier bulk trucking company in North America, providing significant opportunities for growth and improved operational efficiencies due to the complementary nature of Trimac Transportation's existing U.S. terminal locations and traffic lanes. The addition of DSI will increase bulk trucking revenues by 50% and will result in U.S. bulk trucking revenues growing to approximately 55% of total revenue.

In November Trimac made an investment in Cage Logistics Inc., a privately owned rig moving and oilfield heavy hauling company based in Alberta. Oilfield transportation is an important segment of the trucking industry in Western Canada and this investment represents a strategic entry into a new market segment for Trimac, consistent with the company's strategy of focusing on core transportation businesses.

Rentway's 1999 earnings were below 1998 levels, as reduced losses from Rentway's restructured U.S. operations were more than offset by lower earnings in Canada due to poor results in western markets. Negotiations in respect of the proposed acquisition of the Transervice companies, which were terminated in January of this year, consumed a significant amount of Rentway management's time and energy in 1999. In 2000, management will concentrate on improving the performance of Rentway's existing operations through process improvement initiatives and expansion of its industry leading truck fleet management services.

As previously noted, significant additional progress was made in 1999 through the divestiture of approximately $32 million of non-strategic investments, with the majority of these proceeds being realized in December in connection with the sale of our interest in BFC Construction. The proceeds from BFC were used to fund a portion of the purchase price for the DSI acquisition. Management anticipates that further progress will be made in the sale of non-strategic investment interests in 2000.

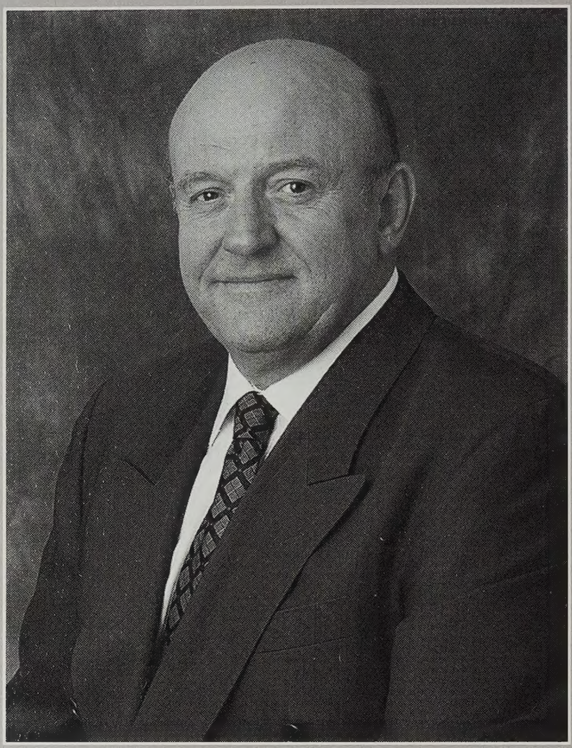
Our transportation businesses are service businesses. Our ability to continue to exceed our customers' expectations and operate with the highest safety and environmental standards ultimately depends on the combined efforts of all of our employees. We are very appreciative and proud of the manner in which our employees have excelled in the dynamic markets in which our businesses operate.

In closing, management is committed to increasing shareholder value through our focus on the profitable growth of our transportation businesses. With the steps taken in 1999, management believes that Trimac is very well positioned to deliver on this commitment.

J.J. (Jeff) McCaig
President and Chief Executive Officer

J.R. (Bud) McCaig
Chairman

Trimac Transportation System



Andrew B. Zaleski,
President, Trimac Transportation System
1999 Canadian National Transportation Person of the Year

"The DSI acquisition represents the missing link in our U.S. chemical operations. The critical mass and infrastructure provided by DSI in key U.S. market segments complements Trimac Transportation's existing operations, resulting in accelerated growth opportunities, improved operational efficiencies and an enhanced ability to exceed the expectations of our customers."

1. Tandem axle stainless steel chemical trailer
2. Super b-train woodchip unit unloading using a hydraulic tipper system
3. Eight-axle nickel ore slurry b-train combination
4. Trimac's Transload Facility, Trail, British Columbia

Trimac Transportation System Bulk Trucking

1999 Highlights

Trimac Transportation System (TTS) finished 1999 with a "bang" through the acquisition of DSI Transports. Since the spin-out of our drilling business in 1997, management has focused on achieving prudent growth in our U.S. bulk chemicals hauling business. The purchase of DSI represents the successful culmination of these efforts.

Significant progress was made in 1999 in operationalizing the "Alliance of Bulktruck Carriers", an asset pooling arrangement between TTS and four other leading U.S. bulk trucking companies to increase loaded miles and share capacity among participating carriers. The pilot program was concluded in December, 1999 and the operations of the Alliance have been expanded to the 48 contiguous states. In 2000, efforts will focus on increasing the volume of loads tendered and the addition of DSI to the Alliance.

Although revenues increased modestly in 1999 over 1998, earnings decreased as relatively strong performance from our eastern operations was more than offset by reduced activity in our natural resource based western operations and higher information technology expenses.

Acquisitions and New Contracts

The reduced activity experienced in 1999 in the commodity oriented western based markets was mitigated to some degree by several small acquisitions and awards of new contracts, examples of which are outlined below:

- Purchase of the trailing assets of Mohawk Canada and signing of a five year contract with Mohawk for the hauling of petroleum products, with anticipated annual revenues of $2.1 million.
- Purchase of 80% of Amer-Liquid Transport, a provider of cross-border services into Mexico, with annual revenues of $7.5 million.
- New three year contract with United States Gypsum for the transportation of ground limestone, with anticipated annual revenues of $2.1 million.
- Purchase of P & B Trucking, an Alberta based woodchips hauling company with annual revenues of $2.0 million.
- Purchase of four companies located in Atlantic Canada, involved in petroleum hauling and container movements, with aggregate annual revenues of $1.8 million.
- New six year contract with Equatorial Mining of Nevada for the hauling of reagent chemicals, with anticipated annual revenues of $1.0 million.
- New three year contract with Kennecott Utah Copper Corporation for the hauling of chemicals, with anticipated annual revenues of $1.2 million.

Acquisition of DSI Transports

Trimac Transportation completed the purchase of DSI Transports for $US 68.3 million in January of 2000. DSI, headquartered in Houston, Texas, provides transportation services to chemical manufacturers and distributors of liquid chemical, petroleum and dry bulk products, operating from 34 terminals (including 16 with internal tank cleaning facilities) in the U.S., primarily in the Gulf Coast, South Eastern and Mid-Atlantic States. DSI employs over 1,600 people and operates a fleet of over 900 tractors and 1350 trailers.

DSI's revenue base of $US 150.0 million will increase TTS's revenues by approximately 50%. This major strategic acquisition will further enhance Trimac Transportation's position as the premier bulk trucking company in North America, consistent with Trimac Corporation's strategy of focusing on the growth of its core transportation businesses. The purchase of DSI will provide significant opportunities for growth and improved operational efficiencies due to the complementary nature of Trimac Transportation's existing U.S. terminal locations and traffic lanes. Optimization and efficiency gains will be achieved through centralization of common service and support functions and the installation in DSI of TTS's "best in class" core information systems. These systems will facilitate increased equipment utilization and reduced empty miles through optimization of traffic lanes. Other synergy opportunities will also be pursued in conjunction with DSI management.

Information Services

In 1999 TTS successfully completed its three year $25 million Information Technology Plan involving the implementation of major information systems to improve internal efficiencies, satisfy increasing customer demands for services and information, and support future acquisitions.

Field Support System (FSS): Based on TMW Systems' industry leading "PowerSuite" product, this is the principle operations system for TTS, integrating dispatch, invoicing, driver pay and equipment utilization optimization. FSS is fully integrated with satellite tracking systems, electronic data interchange and on board computers to increase internal operational excellence as well as positioning TTS to provide enhanced information services to our customers. FSS has been successfully implemented in all TTS branches.

Integrated Administration Systems: TTS has completed the implementation of the PeopleSoft enterprise resource planning suite for financial, purchasing, human resource and payroll functions. The integration of these functions enable workflow and information analysis capabilities that will increase the efficiency and effectiveness of TTS and support "balanced scorecard" reporting.

With the implementation of these core systems now complete, a new "Operations Development" department has been formed with a mandate to lower costs and enhance customer service by maximizing the use of new information system tools, streamlining internal processes, spreading best practices throughout the organization and establishing new metrics for performance improvements.

Safety and Quality

Trimac's unwavering commitment to safety and quality was exemplified by numerous awards received and initiatives undertaken in 1999 and the formation of a new Health, Safety and Environmental Committee of the Trimac Corporation Board of Directors. For the second consecutive year, National Tank Truck Carriers awarded Trimac Transportation the top vehicle safety award in the over 100 million mile category (largest class) for bulk carriers in North America. TTS's Canadian operations were also recognized as the best in safety by winning the 1999 Royal and Sun Alliance safety award of the Canadian Trucking Alliance.

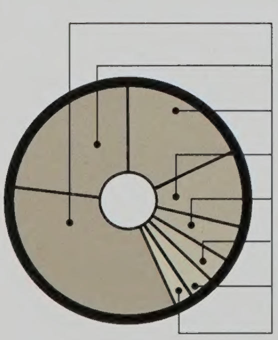
Trimac Transportation's ongoing commitment to enhancing the performance, development and retention of its employees is evidenced through numerous initiatives, including the Branch Operations Training Program which brings together all line management and select support staff for a full week of intensive training at Calgary Head Office. The balanced scorecard was introduced in 1999 to more clearly and consistently measure some of the key drivers of branch performance vis-à-vis customers, employees, safety and compliance, and financial and operating performance.

Outlook for 2000

During the past two years management has built the foundation for a major acquisition by TTS through the installation of new core information systems and other strategic initiatives. The purchase of DSI in January 2000 represents that acquisition. DSI is the missing link in Trimac Transportation's U.S. chemical operations.

The major focus in 2000 will be on improving the efficiency and profitability of our bulk trucking operations. This will be accomplished through synergies achieved from the combination of DSI with TTS' existing operations and the efforts of our new Operations Development department. Continuing strength in our eastern operations together with a recovery in oil and gas as well as pulp paper markets in our western based operations should also contribute to this objective.

Bulk Trucking Revenues by Commodity

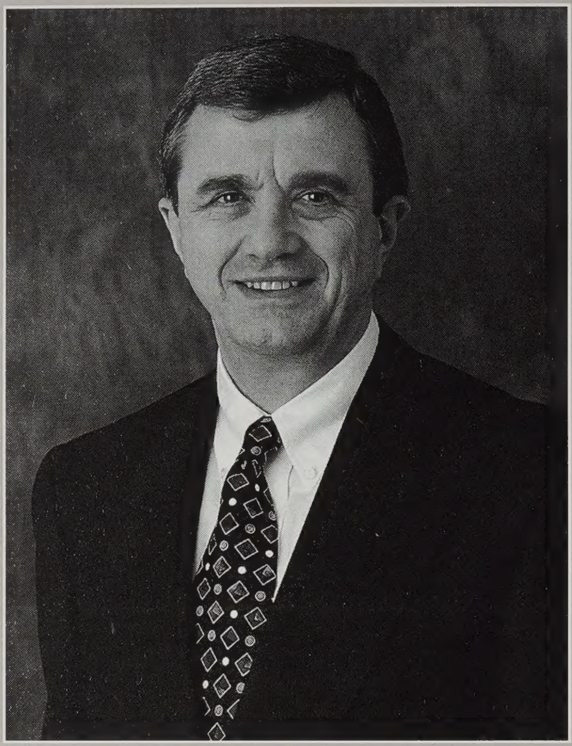


Chemicals	32%
Dry Bulk	22%
Petroleum	18%
Woodchips	11%
Other	6%
Edible	4%
Pressure/Cryogenic	4%
Asphalt	3%

Trimac Transportation System • Financial Summary (December 31)

(thousands of dollars)	1999	1998	1997
Revenues	**$450,578**	$ 443,392	$ 446,070
Earnings before interest, tax, depreciation and amortization	**58,526**	57,825	55,826
Earnings before interest and tax	**23,520**	25,546	25,810
Pretax earnings	**16,839**	19,236	20,681
Cash from operations	**50,780**	48,025	47,609
Identifiable assets	**289,404**	268,477	263,776
Long term debt (including current portion)	**92,376**	89,612	87,918
Depreciation and amortization	**35,006**	32,279	30,016
Net capital expenditures	**40,780**	33,417	45,722
Return on net assets (%)	**9.3**	10.8	11.7

Rentway



Ron W. Waye
President, Rentway

"Rentway's unique truck fleet management strategy has been very well received in the marketplace. This dynamic, solution orientated approach to doing business allows our customers to significantly reduce the overall cost of transportation functions and redirect energies towards their core business. As we enter the 21st century, Rentway remains committed to the continuous development of new products and innovative ways to contribute to the success of our customers' businesses."


Rentway
TRUCK LEASING AND RENTAL
INTERNATIONAL
1

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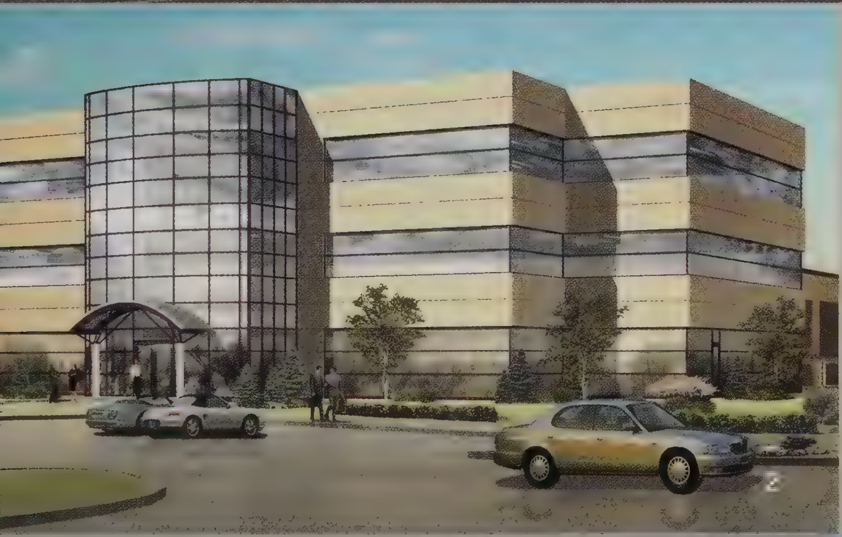

2


3
Bell


4
Farmers
Dairy

1999 Highlights

Rentway continued to build upon its industry leading truck fleet management strategy in 1999 through expansion of business and service offerings to new and existing major customers. Rentway's unwavering commitment to constantly seek new and better solutions to our customers' transportation needs is evidenced by Rentway's ongoing investment in business "futures", such as Rentway's growing aerial lift business and its strategic alliance with Descartes Systems Group, which provides Rentway with route planning and optimization software tools and other supply chain software resources.

The performance of Rentway's U.S. operations improved considerably as a result of the restructuring of these operations in early 1999. A great deal of effort was spent during the past year on negotiations in respect of the proposed acquisition of the Transervice companies. However, in January 2000 it was determined that it was unlikely these negotiations could be successfully concluded, and they were therefore terminated.

The results in Rentway's eastern markets in 1999 were relatively strong. Rentway experienced particularly strong growth in its Atlantic Canada operations due to expansion of business with major truck fleet management accounts and a surge in project rental business related to natural gas pipeline construction activity. However, Rentway experienced a significant decline in activity in western Canadian markets due to the slow-down in the natural resource sector. This slow-down necessitated some restructuring of operations.

Although revenues increased in 1999 over the prior year, earnings decreased primarily as a result of the weakness in western markets.

Truck Fleet Management Market Success

Rentway's unique truck fleet management strategy, which focuses on business development opportunities with major accounts, continues to be very well received in the market place. The fleet management approach provides the benefit of optimization and management of the customer's total fleet as a standalone service or in conjunction with the outsourcing of the entire logistics function. After extensive analysis of the customer's fleet, service needs and supply chain requirements, a customized solution is prepared.

Rentway's total fleet management approach includes the right-sizing of the customer's fleet, as opposed to merely supplying leased trucks. Rentway's commercial rental fleet, the largest in Canada, can be used on a pre-planned basis to support seasonal and cyclical demand periods.

Enhancement of Shop Strategy and Network

Rentway's leadership position is supported by the largest and best network of heavy duty truck repair shops in Canada, with consistent quality and systems across that network. During 1999 Rentway continued to expand its network of facilities. Construction of Rentway's new 36,000 square foot multi-purpose facility in Mississauga is under way. The office portion of the facility will allow for consolidation of administrative functions in one location and a state of the art maintenance shop will allow for consolidation of certain major account work currently being performed at other locations. Located in the rapidly growing western Greater Toronto Area, with proximity to major highway routes, this new facility is expected to provide opportunities for significant additional major account growth.

Strategic Alliances

Rentway is continuously developing new strategic alliances to expand service offerings and enhance our ability to contribute to the success of our customers' businesses. Rentway has strategic alliances with leading integrated logistics companies and these partners are among Rentway's largest customers.

The appropriate solution for a business may be to outsource its logistics function through one of Rentway's logistics partners, with Rentway providing the truck fleet management services. In many instances, however, the major gains to be achieved will be obtained from the optimization of the transportation activity, and truck fleet management can be a first step to further outsourcing after additional experience and analysis. Certain businesses lend themselves more to truck fleet management because company drivers perform a vital sales role, and customer vehicle identification is important.

Rentway also has an investment in and strategic alliance with AmeriQuest Transportation and Logistics Resources, a leader in providing supply chain outsourcing services to the U.S. food industry. The alliance provides Rentway with an important additional conduit for business.

Safety, Quality and People

Safety is a primary focus and performance measurement criteria for Rentway management, as Rentway strives for continuous improvement in this area. Rentway's safety performance continues to significantly exceed industry averages and in 1999 Rentway's safety performance improved further over 1998, representing the seventh consecutive year of improvement.

In the second half of 1999, Rentway launched its new "QVI 2000" program – Quality and Value Imperatives – relating to parts management, shop processes/productivity, administration, business intelligence and e-commerce. The objective of this extensive program is to enhance the quality and value of services available to customers, and to do so at lower cost to Rentway. In order to accomplish this, cross-functional teams have been established to leverage the investment made during 1999 in new information systems. This program is expected to have a significant, positive impact on business performance. During 1999 Rentway also requalified for its registration to the ISO-9002 standard.

People and relationships are the key to Rentway's success and we continue to place heavy emphasis on employees' well-being and training. The "quality" culture of Rentway requires the participation of each employee and the engagement of each employee's intellectual resources. Rentway's employment contract with its employees is based upon the mutual implementation of the guidelines in its "Rentway and You" handbook. The basic premise is Rentway's belief that a company can win with culture.

Information Systems

The key to fleet management is communication and analysis, enabled by information services resources. During 1999 Rentway successfully completed the implementation of the "Enrich" integrated suite of systems to support its total fleet management approach to the market. This industry leading suite, provided through Richer Systems Group, supports the management of the network of heavy duty truck repair shops, the management of Rentway's lease and commercial rental fleets, integrated financial and human resources functions, and the ability to provide customers with analytical information on their fleets. The new systems will enhance the efficiency and effectiveness of Rentway's operations, and support customer requirements for timely information.

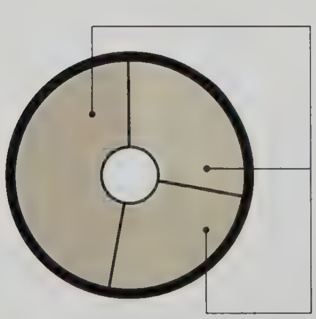
For the year 2000, the focus of Rentway's information technology efforts will be business-to-business e-commerce applications, and enhanced business intelligence systems for both Rentway and its customers.

Outlook for 2000

Rentway's goal is to work with customers to develop customized solutions for their unique fleet management requirements. With the additional investments and initiatives taken in 1999 to expand business service offerings, Rentway is well positioned to enhance its Canadian market leadership position and to continue to grow its market share in the outsourced truck fleet management business. Rentway's relationship with AmeriQuest, Trimac Logistics and other integrated logistics companies is also expected to result in additional major new business development opportunities.

Management believes that Rentway's dynamic fleet management strategy will improve operating results as the growing revenues from these value added services become a larger portion of total business activity.

Truck Fleet Management Revenues



Truck Fleet Management • Financial Summary (December 31)

(thousands of dollars)	1999	1998	1997
Revenues	**$ 172,289**	$ 164,266	$ 151,599
Earnings before interest, tax, depreciation and amortization	**77,355**	72,869	66,666
Earnings before interest and tax	**20,524**	20,302	19,896
Pretax earnings	**5,083**	6,095	7,602
Cash from operations	**54,995**	48,572	50,373
Identifiable assets	**303,036**	288,377	267,366
Long term debt (including current portion)	**214,430**	203,833	186,423
Depreciation and amortization	**56,831**	52,567	46,770
Net capital expenditures	**60,968**	62,361	80,342
Return on equity (%)	**4.5**	9.4	10.0

> "As a non-asset-based third-party logistics supplier, Trimac Logistics is uniquely positioned to objectively evaluate a customer's needs and provide the most cost effective, value added solutions aligned to the strategic objectives of our customers."

[illegible], President, Trimac Logistics

Trimac Logistics

In 1999 Trimac acquired the consulting business of Service and Administrative Institute, Inc., of Jacksonville, Florida, and combined this business with Trimac's existing non-bulk freight brokering, consulting and other logistics businesses to form a new subsidiary, Trimac Logistics, Inc. (TLI). TLI will allow Trimac to better meet the needs of shippers and to increase its participation in the high growth logistics business.

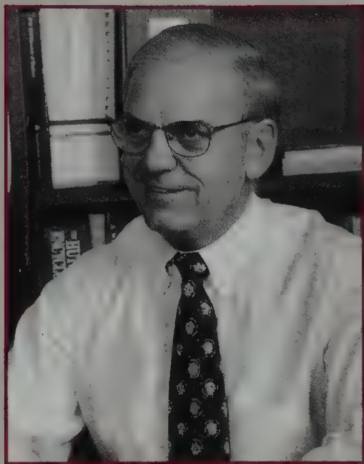
Trimac Logistics provides non-asset based logistics services to manufacturing and distribution industries as well as to transportation service providers. TLI and its predecessor organizations have over 25 years of experience in logistics related businesses, and have provided services to some of the largest and most successful companies in rail, truck and ocean transportation, and logistics and industrial supply chain businesses. Services provided by TLI include the following:

- Logistics Related Consulting
- Transportation Services
- Operational Logistics

TLI provides extensive consulting services ranging from supply chain evaluation to outsourcing projects and contract negotiations. Transportation services include multi-model freight brokering. Operational logistics services encompass the management of carriers, assets, contracts and information. An example of a current operational logistics contract is the management of the Alliance of Bulktruck Carriers, a pooling arrangement involving five bulk trucking companies (including Trimac Transportation System) with combined annual revenues of approximately $US 750 million.

Headquartered in Jacksonville, Florida, TLI also has professional staff located in Calgary, Alberta; St. Louis, Missouri; Charlotte, North Carolina; and Cherry Hill, New Jersey, serving clients in the private sector and government throughout North America.

The logistics industry is anticipated to continue to experience rates of growth significantly in excess of the general economy due to the ongoing need of companies to find more efficient and cost effective ways to deliver goods and services. As a non-asset based third party logistics supplier, Trimac Logistics is uniquely positioned to objectively evaluate a customer's needs and provide the most cost effective, value added solutions aligned to the strategic objectives of our customers.



> "In 1999 Trimac made a strategic entry into the oilfield transportation market through an investment in Cage Logistics. We believe that the outlook for this sector is very positive and that our investment in Cage will provide excellent prospects for growth."

[illegible]

Investment Interests

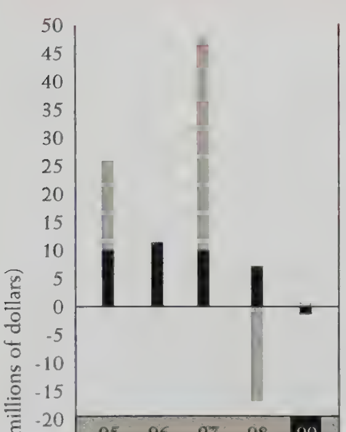
Trimac's publicly traded investment interests are listed in the table below, and information as to the business and affairs of such corporations is available from each corporation or through the public record. Trimac also has investments in several private corporations, certain of which are described below.

Bantrel Inc. (33.3% ownership)
Bantrel is a private corporation owned by Trimac and Bechtel Corporation (66.67%) which provides design, engineering, procurement and construction management services, with a particular emphasis on petroleum, petro-chemical, co-generation and industrial markets.

Cage Logistics (31.6% ownership)
Cage Logistics, through its principal operating division of Speedy Heavy Hauling, is a privately owned rig moving and oilfield heavy hauling company based in Alberta. Oilfield transportation is an important segment of the trucking industry in Western Canada and this investment represents a strategic entry into a new market segment for Trimac. Cage Logistics operates 64 trucks and 180 trailers from three locations in Alberta.

Richer Systems Group (30.6% ownership)
Richer Systems Group provides "Enrich" software, the leading fleet management software to the transportation industry. Richer Systems also provides a total "Enterprise Resource Planning" (ERP) package to the truck leasing industry through integrated maintenance, asset management, lease/rental, fuel tax, licensing, electronic time keeping, ad hoc reporting and financial system software solutions.

Trimac's Earnings from Equity Accounted Investments



Net earnings (excluding gains/losses)
Gain/loss on sale, dilution gain/loss

Investment Interests

(thousands of dollars)	# of Shares	Ticker Symbol	Carrying Value December 31,1999
BOVAR Inc. (1)	39,118,065	BVR.A (ASE)	$ 8,097
Fort Chicago Energy Partners L.P. (2)	5,873,392	FCE-U (TSE)	33,772
Intermap Technologies Ltd. (3)	983,790	IMP.A (ASE)	–
Newalta Corporation (4)	2,500,000	NAL (TSE)	12,775
Pioneer Natural Resources Company (2)(5)	1,056,324	PXD (TSE)	24,373
Private Corporations	N/A	N/A	22,355
			$101,372

(1) Part of Trimac's former waste management business.
(2) Acquired in connection with the restructuring of Chauvco Resources Ltd.
(3) Acquired in connection with the liquidation of IITC Holdings.
(4) Acquired in connection with the sale of Trimac's Canadian waste reduction and recycling operations.
(5) Excludes 1.58 million shares subject to a $51.9 million exchangeable debenture which have a carrying value of $51.9 million at December 31, 1999.

"In 2000, management expects to see increased activity in the natural resource based western markets and continued strength in eastern markets. These favorable conditions, together with the impact of acquisitions and cost reduction initiatives, are anticipated to result in improved levels of profitability in our transportation businesses."

Terry J. [illegible], Vice President & CFO

Management Discussion & Analysis

Trimac Corporation

Significant additional progress was made in 1999 as management continued to execute the Corporation's strategy of focusing on its transportation businesses. In late December 1999, a definitive agreement was executed for the purchase of DSI Transports, a bulk trucking company headquartered in Houston, Texas. This major strategic acquisition, which will increase bulk trucking revenues by 50% and provide TTS with the requisite critical mass in the U.S. chemicals hauling market, was closed on January 18, 2000. In November 1999, the Corporation acquired 32% of the shares of Cage Logistics, an oilfield transportation company, thereby providing the Corporation with a strategic entry into an important segment of the western Canadian trucking industry.

Definitive steps were taken with several investment interests and $31.8 million of proceeds was realized from the monetization of investments. The proceeds from the sale of our BFC shares were used to fund a portion of the purchase price for DSI.

This management discussion and analysis should be read in conjunction with the consolidated financial statements of Trimac Corporation for the year ended December 31, 1999. Amounts are in millions of Canadian dollars (other than per share amounts), unless otherwise indicated.

Consolidated Results

	1999	% change	1998
Revenues			
- Bulk Trucking	$ 450.6	2%	$ 443.4
- Truck Fleet Management	172.3	5%	164.3
- Trimac Logistics	1.3	–	–
	624.2	3%	607.7
Net earnings			
Pretax earnings (loss)			
- Bulk Trucking	16.8	(13)%	19.2
- Truck Fleet Management	5.1	(16)%	6.1
- Trimac Logistics	(0.1)	–	–
- Other (1)	(7.0)	8%	(7.6)
	14.8	(16)%	17.7
Income tax expense (recovery) (2)	7.4	–	(0.7)
Net earnings before equity investments & unusual items (3)	7.4	(60)%	18.4
Equity accounted investments (4)	(0.6)	–	7.7
Net earnings before unusual items	6.8	(74)%	26.1
Unusual items (4)	(0.1)	–	(16.8)
Net earnings before goodwill amortization	6.7	(28)%	9.3
Amortization of goodwill (4)	(0.8)	–	(0.8)
Net earnings	5.9	(31)%	8.5
Cash from operations			
- Bulk Trucking	50.8	6%	48.0
- Truck Fleet Management	55.0	13%	48.6
- Trimac Logistics	0.1	–	–
- Other (1)	(7.2)	4%	(7.5)
	$ 98.7	11%	$ 89.1

Notes: (1) Includes unallocated corporate overhead and interest expense (2) From operations (3) After tax core business earnings (4) Net of tax

Trimac Corporation's 1999 revenues grew moderately over 1998 from $607.7 to $624.2, an increase of 3%. There was no significant change to the historic revenue mix between bulk trucking and truck fleet management which remained approximately 73%/27%, respectively. Revenues from the newly formed Trimac Logistics were $1.3.

Pretax earnings from core businesses declined by $2.9 in 1999 compared to 1998. The decrease arose from both TTS ($2.4) and Rentway ($1.0), partially offset by reduced corporate overhead.

During 1998 the Corporation adopted the new accounting standard for the recognition and measurement of future income taxes. The new standard allowed for the recognition, in 1998, of the benefit of previously unrecorded tax loss carryforwards, primarily in the U.S. This resulted in a decrease of income tax expense in 1998, as compared to 1999, of $9.5. This reduction in income tax expense in 1998 was the primary reason for an $11.0 decline in net earnings before equity accounted investments and unusual items in 1999 as compared to 1998.

Earnings from equity accounted investments declined by $8.3 in 1999 as strong results from Bantrel were more than offset by poor results from BOVAR and BFC Construction. Management Discussion and Analysis of the financial results of BOVAR and BFC are contained in the annual reports of these companies or otherwise available from the public record.

The small after tax loss from unusual items in 1999 was as a result of a loss realized on the disposal of BFC Construction ($0.8) and the write-off of deferred acquisition costs on the abandonment of a potential acquisition ($0.4). This was mostly offset by after tax gains realized from investments in North Pole Capital Investments ($0.3) and Fort Chicago Energy Partners ($0.8). Net write-downs of investments in 1998 totaled $16.8, comprised primarily of Pioneer ($13.1), Chauvco Resources International ($2.0) and Intermap ($1.5).

Cash from operations increased by $9.6 (11%) over 1998 as depreciation in 1999 was $7.2 higher and gains on sale of assets were $3.9 lower than recorded in 1998.

Bulk Trucking • Trimac Transportation System Results

	1999	% change	1998
Revenues			
- Canada	$ 297.2	1%	$ 293.0
- United States	153.4	2%	150.4
	$ 450.6	2%	$ 443.4
Pretax earnings			
- Canada	$ 13.5	(16)%	$ 16.1
- United States	3.3	6%	3.1
	$ 16.8	(13)%	$ 19.2
Net capital expenditures			
- Canada	$ 31.3	13%	$ 27.6
- United States	9.5	64%	5.8
	$ 40.8	22%	$ 33.4
Cash from operations			
- Canada	$ 36.6	1%	$ 36.3
- United States	14.2	21%	11.7
	$ 50.8	6%	$ 48.0

Revenues

Combined Canadian and U.S. revenues in Trimac Transportation System (TTS) increased to $450.6 in 1999 compared to $443.4 for the prior year.

Canadian revenues increased by $4.2 with $2.8 of the increase attributable to the eastern division and $1.4 coming from the western division.

Revenues in the United States for 1999 were $153.4 compared to $150.4 in 1998, reflecting a moderate increase in volumes in the eastern based Chemical Division, partially offset by reduced activity in the western based Dry Bulk and Mining Services Division.

On a product basis, the Canadian operations experienced growth primarily in chemicals, woodchips, edibles and petroleum products with dry bulk experiencing a decrease. The United States operations experienced increases in chemical and petroleum products but decreases in dry bulk.

Pretax earnings

The decrease of $2.6 (16%) in Canadian pretax earnings was more than accounted for by a year over year increase of $4.2 in information technology expenses related to Trimac Transportation System's three year $25.0 Information Technology Plan. The new core systems, which are expected to improve internal efficiencies and support growth, have been fully implemented in all TTS branches. Operationally, the Canadian business experienced reduced pretax margins of $1.6 in the western division and $0.6 in the eastern division due to ongoing competitive pressure in rates combined with increased costs of operations, primarily in the cost of diesel fuel which escalated rapidly during the last half of the year. In addition, the pretax margins were negatively impacted by $0.7 of increased losses on disposal of surplus equipment.

The U.S. business experienced reduced pretax margins of $2.2 in the western based dry bulk and mining division. This shortfall was due to reduced revenues of $5.8 from the closure of a customer's smelter and generally lower levels of activity in the resource sector of the U.S. Offsetting this decrease were improvements in pretax margins derived from chemical operations which generated $2.0 of additional pretax margins in 1999. This resulted from increased revenue of $3.0 and cost reductions arising out of enhanced operating procedures. In addition, the west coast joint venture with Harris Transportation, involving the movement of petroleum products, generated an improvement of $0.4 due to increased revenues and reduced operating costs.

Capital expenditures

Canadian net capital expenditures were up 13% in 1999 from $27.6 to $31.3. Approximately $1.3 of the 1999 amount related to a new Edmonton terminal and $5.7 was dedicated to information technology expenditures. The remainder was for the replacement of assets. In the United States, net capital expenditures rose to $9.5 in 1999 compared to $5.8 in 1998. This 64% increase was largely due to year over year timing differences of these expenditures. Capital expenditures were financed by cash from operations and existing credit facilities.

Cash from operations

Cash from operations in Canada increased slightly in 1999 to $36.6 as depreciation expense exceeded that recorded in 1998 by $2.6. In the U.S., cash from operations increased by $2.5 to $14.2 in 1999 as current income tax expense decreased by $2.1.

Outlook

During the past two years management has built the foundation for a major acquisition by TTS through the installation of new core information systems and other strategic initiatives. The purchase of DSI Transports in January 2000 represents that acquisition.

The major focus in 2000 will be on improving the efficiency and profitability of the bulk trucking operations. This will be accomplished through synergies achieved from the combination of DSI with TTS's existing operations and the efforts of the newly created "Operations Development" department which has been mandated to lower costs and enhance customer service by maximizing the use of new information system tools, streamlining internal processes, spreading best practices and establishing new metrics for performance improvements. Management also expects to see a continuation of the ongoing recovery in the western Canadian and U.S. resource sectors (pulp and paper, oil and gas, and mining) due to higher commodity prices and increased demand from Asian based purchasers of these commodities. Activity in the eastern Canadian and U.S. based markets is also expected to continue to mirror the relatively strong economic conditions in these markets.

Truck Fleet Management • Rentway Results

	1999	% change	1998
Revenues			
- Canada	$ 158.0	4%	$ 151.5
- United States	14.3	12%	12.8
	$ 172.3	5%	$ 164.3
Pretax earnings			
- Canada	$ 6.0	(22)%	$ 7.7
- United States	(0.9)	44%	(1.6)
	$ 5.1	(16)%	$ 6.1
Net capital expenditures			
- Canada	$ 55.5	(7)%	$ 59.9
- United States	5.5	120%	2.5
	$ 61.0	(2)%	$ 62.4
Cash from operations			
- Canada	$ 52.6	11%	$ 47.5
- United States	2.4	118%	1.1
	$ 55.0	13%	$ 48.6

Revenues

Revenues improved to $172.3 (internally generated revenue deducted) in 1999 compared to $164.3 in 1998. This increase can be attributed to strong growth in Rentway's eastern Canadian operations. In addition to new major account growth, Atlantic Canada enjoyed strong growth due to project rental volumes related to gas pipeline construction activity and several new fleet management customers in that region.

Revenue from U.S. operations increased to $14.3 in 1999 compared to $12.8 in 1998 with growth primarily in the western branches.

Revenue from lease activities, including full maintenance leases, increased 8% during the year, with strong growth in the U.S. Revenue from rentals increased 3%. Project rental growth in Atlantic Canada offset the reduced commercial rental revenues. Weak local economies in western Canada resulted in low commercial rental fleet utilization, which is a major revenue determinant in that product segment. Growth in truck maintenance services was also constrained as a consequence of the soft regional economies and the loss of business of a major account due to a corporate reorganization.

Pretax earnings

Canadian pretax earnings were $6.0 in 1999 compared to $7.7 in the prior year. The decrease in earnings was a consequence of reduced earnings in western Canada and non-recurring expenses to reorganize administrative functions and restructure western Canadian operations. Weak local economies in western Canada, and particularly, B.C. adversely impacted earnings in that region.

Operating margins in leasing activities declined during the year. New equipment pricing increased significantly as a consequence of weakness in the Canadian U.S. exchange rate. Competitive pricing pressure resulted in those increased costs not being fully passed onto customers in increased rates. The trend to commodity pricing on leases and full maintenance leases also impacted the ability to increase prices and margins. Despite lower utilization rates in the rental activities, operating margins were increased, especially in the project rental market.

Resale gains were $5.5 in 1999 as compared to $8.6 in 1998. A strong market for used equipment in 1999 was combined with a new retail sales program for Class 8 trucks. The sale of equipment repurchased by Rentway's then largest customer in 1998 resulted in an unusually high resale gain that year.

The performance of Rentway's U.S. operations improved in 1999, with a pretax loss of $0.9 compared to $1.6 in the prior year. The closing of the Cleveland branch and the relocation of the Portland branch were major factors in this regard.

Capital expenditures

Canadian net capital expenditures decreased by 7% in 1999 to $55.5 from $59.9 in 1998. A high level of project rental equipment purchases in the year did not fully offset decreased lease equipment purchases. U.S. net capital expenditures increased to $5.5 from $2.5 due to new lease equipment purchases in the eastern U.S. region.

Cash from operations

Cash from operations in 1999 was up $6.4 to $55.0 compared to $48.6 in the prior year due to higher depreciation and amortization.

Outlook

Management continues to see significant opportunity for growth in the market for value added management of large private fleets and third party maintenance programs. The market for outsourcing of truck fleet management services is expected to grow at rates significantly in excess of the general economy due to the increasing emphasis on truck safety and reliability and the need for customers to improve the efficiency of their transportation functions. With the additional investments and initiatives taken in 1999 to expand business service offerings and strategic alliances, management believes that Rentway is well positioned to enhance its Canadian market leadership position and continue to grow its market share in the outsourced truck fleet management business.

Management believes that Rentway's dynamic fleet management strategy will improve operating results as the growing revenues from these value added services become a larger portion of total business activity.

Liquidity, Long Term Debt and Lines of Credit

Trimac Corporation (unconsolidated)

As at December 31, 1999 and 1998, the unconsolidated long term debt balance was $65.9, consisting of $14.0 of debt relating to the Fort Chicago investment plus a $51.9 exchangeable debenture issued in August 1998 to finance the repurchase of 6.2 million shares of the Corporation pursuant to a substantial issuer bid.

The $14.0 of outstanding debt at December 31, 1999 relates to a $40.0 credit facility which is secured by the Corporation's interest in certain of its publicly traded investments. Based on the market value of these investments at December 31, 1999, and other arrangements related to the financing for the acquisition of DSI, discussed below, the Corporation had available $14.0 of additional borrowings under the facility at such date.

Trimac Corporation also has a $15.0 working capital facility. No monies were drawn under this facility at December 31, 1999. Trimac Corporation anticipates that it will have sufficient financial resources to meet its obligations and provide the necessary equity to fund the growth of its businesses.

Changes in Long Term Debt Trimac Transportation System

	1999	1998
Balance at beginning of year	$ 89.6	$ 87.9
Increase in long term debt	86.6	6.2
	176.2	94.1
Repayments of long term debt	(83.8)	(4.5)
Balance at end of year	$ 92.4	$ 89.6

Long term debt of Trimac Transportation System increased by $2.8 to $92.4 in 1999 as a result of ordinary course capital expenditures and several small acquisitions. The credit facilities of TTS consist of revolving term facilities for revenue equipment and real estate purchases, revolving demand facilities for working capital requirements and a term debt private placement loan. At December 31, 1999 unused lines of credit totaled $73.9 for the equipment facilities and $5.5 for the working capital facilities (the real estate lines were fully drawn). The facilities may generally be used to the extent of 90% of net book value of vehicles for the equipment line, 65% of appraised real estate values for the real estate lines and 75% of current accounts receivable for the working capital lines. The equipment facilities, except for certain equipment loans, do not require principle payments unless the outstanding debt exceeds the margin borrowing base. Real estate loans are amortized over an eight year life with a balloon payment at the end of the fifth year. The $85.0 private placement debt was issued in August of 1999, with the proceeds being used to pay down bank credit facilities. The private placement loan has an average life of ten years with equal principal payments over three years commencing with the ninth year of the term loan.

Trimac Transportation System targets a long term debt to equity ratio of between 1.0 - 1.5 to 1.0. The long term debt to equity ratio as at December 31, 1999 and 1998 was 0.72:1 and 0.73:1 respectively.

TTS borrowed an additional $US 52.6 in January 2000 in connection with the acquisition of DSI Transports. This loan is repayable on or before April 30, 2000 and is guaranteed by Trimac Corporation. TTS intends to re-finance this debt together with other existing bank debt under a new North American credit facility.

Trimac Transportation System anticipates it will have adequate financial resources to fund the ongoing operations and future growth of its business.

Changes in Long Term Debt Rentway

	1999	1998
Balance at beginning of year	$ 203.8	$ 186.4
Increase in long term debt	174.5	150.4
	378.3	336.8
Repayments of long term debt	(163.9)	(133.0)
Balance at end of year	$ 214.4	$ 203.8

The $10.6 net increase in long term debt during 1999 was used to finance net capital expenditures not covered by cash from operations. The credit facilities of Rentway generally consist of revolving term facilities for equipment purchases, term real estate loans and revolving demand working capital facilities. Equipment purchase facilities consist of bank lines and credit provided by the finance subsidiaries of equipment manufacturers. Effective January 11, 1999, all bank equipment facilities of Rentway were consolidated into a new $205.0 syndicated loan facility. The aggregate credit limit under manufacturers' facilities at December 31, 1999 was $110.0. Rentway generally prefers to finance equipment purchases through the bank facilities as the cost of funds under these facilities is approximately 2% lower than the manufacturers' facilities.

The facilities may generally be used to the extent of 90% of net book value of vehicles and 75% of current accounts receivable. Unused lines of credit at December 31, 1999 totaled $126.8 for the equipment loan facilities, and $2.9 for the working capital facilities.

The leasing business requires a higher degree of leverage than the bulk trucking business in order to earn an acceptable return on equity. Rentway targets a long term debt to equity ratio between 5:1 and 6:1. The long term debt to equity ratio as at December 31, 1999 and 1998 was 5.6:1 and 5.3:1, respectively.

Rentway manages its debt load exposure by matching the duration of a particular lease or group of leases to fixed rate debt with a similar term or entering into swap contracts to match the average duration of the lease portfolio. This also reduces exposure to interest rate fluctuations because the lease agreements incorporate the prevailing interest rate of the related debt. Approximately 70% of Rentway's debt is at fixed rates for terms matching the applicable leases or represented by swap contracts that match duration. Financing for rental vehicles (term usually less than one year) is generally done at floating rates.

Rentway anticipates it will have adequate financial resources to fund the ongoing operations and future growth of its business.

Interest

Consolidated interest expense increased to $23.7 in 1999 from $22.1 in 1998 due to moderately higher debt levels.

Income taxes

As explained previously, the tax provision recorded in 1998 was significantly lower than was provided in 1999 as a result of the recognition of the benefit of tax loss carryforwards in 1998.

Corporate Developments

A total of $31.8 was realized from the sale or monetization of investment interests in 1999 as compared to approximately $108.9 in 1998. These funds were realized as the Corporation pursued its stated objective of selling non-strategic investments and focusing on the Corporation's transportation businesses. Included in the $31.8 of proceeds are $24.2 of proceeds from the sale of the Corporation's entire interest (22 %) in BFC Construction. The Corporation also sold 1.0 million shares of Fort Chicago for $7.0 and 26,100 shares of Pioneer Natural Resources for $0.5.

Risks and Uncertainties

Trimac Corporation

Trimac Corporation's principal risks and uncertainties relate to its transportation businesses. The Corporation's exposure to the cyclical nature of the oil and gas industry was significantly reduced in February 1997 through the spin-out of Kenting Energy Services and subsequent sales of oil and gas related investments; however, the Corporation retains some exposure to this industry through its western based operations and certain of its remaining investment interests.

Trimac Transportation System

Trimac Transportation System's business is subject to numerous risks and uncertainties, certain of which are outlined below:

General economic conditions: The business of TTS has a generally positive correlation with the strength of the North American economy. The wide range of products transported and the geographic dispersion of its operations across North America provides a degree of diversification such that TTS is not overly dependent upon any particular customer or geographic region.

Interest rates: A portion of TTS' debt is at floating rates and increases in interest rates adversely impact the profitability of TTS' operations, as discussed above under "Liquidity, Long Term Debt and Lines of Credit".

Weather: Weather can have a significant impact on the profitability of TTS' operations. Harsh weather conditions, such as extreme cold, storms or flooding, can impede the movement of bulk materials and increase operating costs for the goods that are able to be moved.

Labor: Labor costs comprise the largest single cost in the bulk trucking business. The ability of the Corporation to negotiate fair and equitable pay for its labor force, some of which are represented by unions, is an important factor in the success of the Corporation. The Corporation believes that its progressive labor relations management approach has been a significant factor in the fact that TTS has never had a labor strike or lock-out; however, there can be no assurance that labor disruptions will not be experienced in the future.

The trucking industry has suffered from a shortage of qualified drivers in recent years. The ability of TTS to continue to attract and retain qualified drivers will be an important factor in the success of TTS.

Fuel prices: Diesel fuel costs are the second largest operating cost. Changes in fuel prices are partially mitigated by fuel price adjustment clauses in many of TTS' longer term contracts.

Information technology: TTS has spent significant monies on various information technology initiatives designed to reduce overall costs and enhance the competitive position of the business by allowing TTS to deliver higher value and more cost effective services to its customers. TTS' major competitors appear to be undertaking similar initiatives and the relative success of TTS' programs compared to its competitors will be an important factor in the success of TTS.

Rentway

Rentway's business is subject to numerous risks and uncertainties, certain of which are outlined below:

Truck fleet management product innovation: Rentway has chosen to distinguish itself from its competitors by focusing on the value added aspects of truck fleet management rather than the more traditional focus on full service lease sales. The future success of Rentway will be in large part dependent on its ability to continue to develop innovative products and value added services which distinguish Rentway from its competitors.

Information technology: Rentway's information technology initiatives are the cornerstone of its strategic focus on the development of innovative value added truck fleet management services which continue to differentiate Rentway from its competitors. Accordingly, the success of these initiatives will be an important factor in the success of Rentway.

Interest rates: The truck leasing business is capital intensive, with substantially all lease and rental vehicles being financed. As a result, the leasing and rental components of Rentway's business are sensitive to interest rate fluctuations. Rentway generally matches interest rates with its fixed rate lease revenues. The ability to obtain financing at rates competitive with other major leasing corporations is an important factor in the ability of Rentway to compete and remain profitable in this segment of its operations.

Equipment resale: The price received on sales of used equipment is an important factor in the overall profitability of a truck leasing business. The price received for used trucks is dictated by the level of demand for used trucks which in turn is generally dictated by the level of production of new vehicles and the overall strength of the Canadian and U.S. economies. Rentway closely monitors these indicators to assist in the timing of resale decisions.

Management Report

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian generally accepted accounting principles and, where appropriate, reflect estimates based on management's judgement. In addition, all other financial and operating information contained in the annual report is the responsibility of management and is consistent with the information in the financial statements.

Adequate systems of internal control are maintained to provide reasonable assurance as to the completeness and accuracy of all financial information as well as to safeguard assets. These internal controls include the delegation of authority and the segregation of responsibilities in accordance with policies and procedures.

The Board of Directors appoints an Audit Committee which is comprised of non-management directors. The Audit Committee meets at least twice a year with management and PricewaterhouseCoopers LLP, the external auditors. The Committee reviews, among other things, accounting policies, annual financial statements, the results of the external audit examination and the management discussion and analysis included in the annual report. The Audit Committee reports its findings to the Board of Directors so that the Board may properly approve the annual financial statements.

J. J. McCaig
President and Chief Executive Officer

T.J. Owen
Vice President and Chief Financial Officer
February 9, 2000

Auditors' Report

To the shareholders of TRIMAC CORPORATION

We have audited the consolidated balance sheets of Trimac Corporation as at December 31, 1999 and 1998 and the consolidated statements of earnings, retained earnings and cash flows for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Trimac Corporation as at December 31, 1999 and 1998 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Calgary, Alberta
February 9, 2000

Core Business Financial Summary

Trimac Transportation System Bulk Trucking

(thousands of dollars)	1999	1998	1997	1996	1995	1994
	Year ended December 31					
Revenues	**$450,578**	$443,392	$446,070	$382,691	$371,277	$352,784
Earnings before interest, tax,depreciation and amortization	**58,526**	57,825	55,826	49,683	47,818	49,367
Earnings before interest and taxes	**23,520**	25,546	25,810	22,261	20,624	23,175
Pretax earnings	**16,839**	19,236	20,681	16,634	13,733	17,519
Cash from operations	**50,780**	48,025	47,609	38,268	35,517	41,721
Identifiable assets	**289,404**	268,477	263,776	227,677	220,586	217,658
Long term debt (including current portion)	**92,376**	89,612	87,918	79,979	75,716	76,501
Depreciation and amortization	**35,006**	32,279	30,016	27,422	27,194	26,192
Net capital expenditures	**40,780**	33,417	45,722	35,315	31,198	33,114
Return on net assets (%)	**9.3**	10.8	11.7	11.9	11.4	13.4

Rentway Truck Fleet Management

(thousands of dollars)	1999	1998	1997	1996	1995	1994
	Year ended December 31					
Revenues	**$172,289**	$164,266	$151,599	$127,893	$114,537	$ 97,511
Earnings before interest, tax depreciation and amortization	**77,355**	72,869	66,666	59,040	55,697	46,308
Earnings before interest and taxes	**20,524**	20,302	19,896	17,429	17,333	15,090
Pretax earnings	**5,083**	6,095	7,602	5,066	5,022	6,740
Cash from operations	**54,995**	48,572	50,373	43,279	39,299	33,452
Identifiable assets	**303,036**	288,377	267,366	226,394	211,991	182,961
Long term debt (including current portion)	**214,430**	203,833	186,423	158,596	152,044	133,657
Depreciation and amortization	**56,831**	52,567	46,770	41,611	38,364	31,218
Net capital expenditures	**60,968**	62,361	80,342	51,929	61,169	75,190
Return on equity (%)	**4.5**	9.4	10.0	6.1	8.8	13.6

Consolidated Statement of Earnings

(thousands of dollars except per share amounts)	Year ended December 31 1999	1998
Revenues	$ 624,229	$ 607,658
Operating Costs and Expenses		
Direct	403,969	404,780
Selling and administrative	94,437	86,898
Depreciation and amortization	92,173	84,932
Gain on sale of assets (net)	(4,875)	(8,767)
	585,704	567,843
Operating Earnings	38,525	39,815
Interest – long term debt	23,188	22,015
– other interest (net)	500	36
	23,688	22,051
Earnings Before Unusual Items	14,837	17,764
Unusual items – gain (loss) recognized on disposal or write-down of investments and deferred acquisition costs (Note 5)	236	(36,067)
Earnings Before Taxes	15,073	(18,303)
Income tax expense (recovery) (Note 4)	7,768	(19,954)
Earnings Before Equity Accounted Investments and Minority Interest	7,305	1,651
Equity accounted investments (Note 6)	(528)	7,655
Minority interest	(67)	–
Earnings Before Amortization of Goodwill	6,710	9,306
Amortization of goodwill (net of tax)	(772)	(827)
Net Earnings	$ 5,938	$ 8,479
Earnings Per Share		
Before amortization of goodwill	$ 0.20	$ 0.25
Net earnings – basic	0.18	0.22
– fully diluted	0.18	0.22

Consolidated Statement of Retained Earnings

(thousands of dollars)	Year ended December 31 1999	1998
Retained Earnings, Beginning of Year, As Previously Reported	$ 174,264	$ 226,890
Adjustment – accounting policy change (Note 2)	–	6,208
Retained Earnings, Beginning of Year, as Restated	174,264	233,098
Net earnings	5,938	8,479
Dividend paid on common shares	(3,371)	(7,365)
Repurchase of common shares	–	(59,948)
Retained Earnings, End of Year	$ 176,831	$ 174,264

Consolidated Balance Sheet

(thousands of dollars)	Year ended December 31 1999	1998
Assets		
Current Assets		
Cash and term deposits	$ 12,070	$ 7,256
Accounts receivable	83,494	69,021
Income taxes recoverable	862	–
Materials and supplies	8,525	7,519
Prepaid expenses	18,815	18,658
	123,766	102,454
Investments (Note 6)	153,262	179,965
Fixed Assets, Net (Note 8)	464,633	447,125
Goodwill (Note 7)	6,655	6,494
Other	2,739	309
	$ 751,055	$ 736,347
Liabilities and Shareholders' Equity		
Current Liabilities		
Bank advances, secured (Note 9)	$ 16,622	$ 24,057
Accounts payable and accrued	65,415	56,087
Income taxes payable	–	2,710
Current maturities of long term debt (Note 10)	1,797	1,722
	83,834	84,576
Long Term Debt (Note 10)		
Truck fleet management including maturities due within one year (1999 - $43,686; 1998 - $70,920)	214,430	203,833
All other long term debt	156,460	153,771
	370,890	357,604
Future Income Taxes (Note 2)	41,579	36,136
Minority Interest (Note 7)	117	–
	496,420	478,316
Shareholders' Equity		
Common share capital (Note 11)	70,417	70,380
Cumulative translation adjustment	7,387	13,387
Retained earnings	176,831	174,264
	254,635	258,031
Contingencies and Commitments (Notes 13 and 15)		
	$ 751,055	$ 736,347

Approved by the Board:

J.R. (Bud) McCaig
Director

J.J. (Jeff) McCaig
Director

Consolidated Cash Flow Statement

(thousands of dollars)	Year ended December 31 1999	1998
Cash Provided (Used)		
Operations		
Earnings before amortization of goodwill	$ 6,710	$ 9,306
Depreciation and amortization	92,173	84,932
Gain on sale of assets (net)	(4,875)	(8,767)
Future income taxes	4,295	(24,968)
Equity accounted investments – net earnings (Note 6)	528	(7,655)
Unusual items	(236)	36,067
Other	104	193
Cash From Operations	98,699	89,108
Cash used by unusual items	(361)	(1,050)
Net change in non cash working capital balances		
Accounts receivable	(14,473)	(1,969)
Income tax recoverable (payable)	(3,572)	4,336
Material and supplies	(1,006)	(526)
Prepaid expenses	(157)	(516)
Accounts payable and accrued	9,328	(3,416)
	(9,880)	(2,091)
Net Cash Flow	88,458	85,967
Investing		
Purchase of fixed assets	(166,803)	(174,699)
Proceeds on sale of fixed assets	61,671	78,900
Net capital expenditures	(105,132)	(95,799)
Acquisition of transportation businesses (Note 7)	(4,179)	–
Increase in investments (Note 6)	(5,183)	(7,268)
Proceeds on disposal of investments (Note 6)	31,765	59,644
Other	(4,399)	(549)
Cash Used by Investing	(87,128)	(43,972)
Financing		
Increase in long term debt	97,868	74,959
Repayments of long term debt	(83,615)	(30,518)
	14,253	44,441
Net change in bank advances	(7,435)	(3,745)
Increase in common shares	37	2,130
Repurchase of common shares	–	(75,112)
Dividend paid on common shares	(3,371)	(7,365)
Cash Provided by (Used in) Financing	3,484	(39,651)
Increase in cash	4,814	2,344
Cash, beginning of year	7,256	4,912
Cash, End of Year	$ 12,070	$ 7,256
Supplemental Information		
Cash income tax payments	4,973	685
Cash interest payments	21,002	22,603

Note 1 • Summary of Significant Accounting Policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Principles of consolidation

These consolidated financial statements include the accounts of Trimac Corporation and its subsidiaries ("the Corporation") which are 100% owned except Amer-Liquid Transport Inc., in which the Corporation has an 80% interest.

Investments are accounted for as disclosed in Note 6.

Fixed assets

Depreciation is provided at rates which will amortize costs to estimated residual values, over the assets' estimated useful lives, mainly as follows:

Asset	Depreciation method	Estimated useful life (years)
Highway tractors	Varying percentages of original cost (residual - 5%)	7
Highway trailers	Straight line (residual - 4%)	7 - 10
Rental vehicles	Varying percentages of original cost	3 - 5
Lease vehicles	Varying percentages of original cost	3 - 7
Buildings and other	Various	3 - 25
Software Development	Straight line	7

Software development costs and interest are capitalized with respect to assets under construction.

Goodwill

Goodwill is being amortized on a straight line basis primarily over periods of up to 10 years. The value of the unamortized portion of goodwill is assessed for impairment annually by reference to the entity's operating income.

Reclassification

Certain amounts presented in the Consolidated Statement of Earnings and the Consolidated Statement of Cash Flows have been reclassified from those presented in prior periods. Net earnings and cash from operations remain unchanged.

Stock-based compensation plans

The Corporation has two stock based compensation plans, which are described in Note 11. No compensation expense is recognized for these plans when stock or stock options are issued to employees. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to share capital.

Future income taxes

During 1998, the Corporation adopted new Canadian Institute of Chartered Accountants standard for the recognition, measurement and disclosure of future income taxes (Section 3465). This is described further in Note 2.

Note 2 • Change in Accounting Policy

In the fourth quarter of 1998, the Corporation changed its policy of accounting for income taxes and the provisions of Section 3465 of the Handbook of the Canadian Institute of Chartered Accountants were adopted effective January 1, 1998. The provisions were applied retroactively without restatement of prior period financial statements. At January 1, 1998 the future income tax liability was reduced by $5.8 million, goodwill was increased by $358,000 and opening retained earnings were increased by $6.2 million. These adjustments were primarily as a result of recognizing the future benefit of a portion of tax loss carryforwards which were previously unrecorded and to recognize the difference between accounting and tax values on previous acquisitions. The effect in 1998 was to increase net earnings by $10.1 million primarily as a result of recognizing the benefit of certain additional tax loss carryforwards in the U.S.

(Dollar amounts in thousands of Canadian dollars)

Note 3 • Financial instruments

The Corporation does not hold or issue derivative financial instruments for trading purposes. While the availability of derivative financial instruments with respect to foreign exchange is monitored, it has not been considered necessary to hedge such items. Interest rates have been hedged through swap contracts as outlined below.

Financial assets and liabilities include those reflected on the balance sheet (cash, accounts receivable, accounts payable) and, given their current nature, are considered to be shown at fair value.

Trimac Transportation System hauls a wide variety of bulk materials for a broad customer base which spans numerous industries. Longer term hauling contracts are generally with large, well established customers. Given the strength and diversity of the customer base, the credit risks are not considered overly concentrated. Bad debts have not been material.

As at December 31, 1999 $85.0 million of the long term debt of Trimac Transportation System is fixed with an interest rate of 7.29%. The estimated fair value using the present value of expected cash outlays for principal and interest based on an estimated rate for long term debt with similar terms was $82.6 million. For floating rate debt, the stated amount of outstanding principal is considered fair value.

Long term leases with customers of the truck fleet management business (Rentway) in Canada are generally funded with fixed rate debt matched to the lease term or with floating rate debt swaped to match the average duration of the lease. U.S. assets are funded with U.S. debt which is generally matched to the lease terms and amounts. Long term operating lease contracts with customers have some of the characteristics of financial assets and, except for the current month, are not recognized on the balance sheet. The gross amounts and discounted amounts of such leases are as follows:

Amounts due in:	Gross	Discounted at 7.5%
2000	$ 64,827	$ 60,586
2001	50,391	44,013
2002	40,263	32,867
2003	29,038	22,153
2004	17,965	12,809
Thereafter	8,033	5,332
	$ 210,517	$ 177,760

The above amounts comprise only the fixed portion of full service lease payments: the costs of the related future maintenance have not been deducted. Future revenue from short term rentals and proceeds on disposal of vehicles are not included in the above amounts.

These contracts are generally with well established entities, primarily across Canada, and no single customer represents greater than 10% of total truck fleet management revenues. Accordingly, there is not considered to be a concentration of credit risk. Bad debts have not been significant and, if lease payments cease, the vehicle may be repossessed.

For floating rate debt, the stated amount of outstanding principal is considered fair value. Rentway's fixed rate debt was $81.6 million at December 31, 1999. The estimated fair value using the present value of expected cash outlays for principal and interest based on an estimated rate for long term debt with similar terms and remaining maturities was $81.5 million.

Note 3 • Financial Instruments, continued

Rentway's exposure to interest rate risk with respect to fixed rate long term debt outstanding at December 31, 1999 is summarized as follows:

Interest rates:		Maturity dates of principal			
From	To	2000	2001 - 04	After 2004	Total
5.00%	6.99%	$ 17,799	$ 15,552	$ –	$ 33,351
7.00%	8.99%	21,002	26,379	–	47,381
9.00%	11.00%	864	2	–	866
		$ 39,665	$ 41,933	$ –	$ 81,598

The above risk is mitigated by payments from customers under long term leases which are matched to the applicable long term fixed rate debt.

During the year swap contracts, the notional amount of which is not recorded on the balance sheet and which extend from one to four years, were entered into with major Canadian chartered banks to fix interest rates on $68.6 million of long term debt. The contracts provide for a swap from Bankers' Acceptance 90 day floating rates to fixed rates varying from 5.2% to 5.9%. The estimated present value of the contracts is $1.2 million at December 31, 1999.

Note 4 • Income Taxes

The income tax provision is comprised of the following:

	Year ended December 31	
	1999	1998
Current	$ 3,473	$ 5,014
Future	4,295	(24,968)
	$ 7,768	$ (19,954)

The provision varies from what would otherwise be expected for the following reasons:

	Year ended December 31			
	1999		1998	
	Amount	Percentage of earnings before tax	Amount	Percentage of earnings before tax
Computed "expected" tax	$ 6,722	44.6	$ (8,163)	(44.6)
Recognition of previously unrecorded loss benefits	–	–	(9,553)	(52.2)
Difference between accounting and tax cost base on gains net of non taxable/deductible portion of capital disposals	352	2.3	3,904	21.3
Increase in tax base of certain investments	–	–	(7,512)	(41.0)
Capital taxes	1,533	10.2	1,555	8.5
Other	(839)	(5.6)	(185)	(1.0)
	$ 7,768	51.5	$(19,954)	(109.0)

Note 5 • Unusual Items

	1999	1998
Gain (loss) recognized on disposals or write-down of investments		
Fort Chicago Energy Partners L.P. (Note 6 (h))	$ 1,210	$ –
BFC Construction Corporation (Note 6 (a))	(504)	–
Pioneer Natural Resources Company (Note 6 (i))	(109)	(30,754)
North Pole Capital Investments Ltd. (a)	289	(1,050)
Chauvco Resources International Ltd.	–	(3,004)
Intermap Technologies Ltd. (Note 6 (e))	–	(2,283)
EVI Inc. (Note 6 (j))	–	970
Other	–	54
	886	(36,067)
Write-off of deferred acquisition costs	(650)	–
	$ 236	$ (36,067)

(a) The gain or loss was recorded as a result of adjusting this investment to current market values.

Note 6 • Investments

The Corporation's share of net earnings from investments and the related carrying and market values at December 31 were as follows:

	1999			1998		
Equity accounted investments	**Net (loss) earnings**	**Carrying value**	**Market value**	**Net earnings (loss)**	**Carrying value**	**Market value**
BFC Construction Corporation (a)	$(4,759)	$ –	$ –	$ 3,334	$ 29,509	$ 17,904
Bantrel Inc. (b)	3,179	5,861	5,861	2,018	2,682	2,682
BOVAR Inc. (c)	1,366	8,097	7,824	2,142	6,731	9,780
Cage Logistics Inc. (d)	14	4,981	4,981	–	–	–
IITC Holdings Ltd. (e)	–	509	509	579	509	509
Transportation Implementing Services Limited Partnership (f)	(236)	3,766	3,766	–	4,192	4,192
Richer Systems Group Inc. (g)	(112)	2,027	2,027	(469)	2,139	2,139
Other	20	171	171	51	151	151
	$ (528)	$ 25,412	$ 25,139	$ 7,655	$ 45,913	$ 37,357
Cost accounted investments						
Fort Chicago Energy Partners L.P. (h)	$ –	$ 33,772	$ 42,579	$ –	$ 39,522	$ 42,613
Newalta Corporation	–	12,775	9,125	–	12,775	7,500
Pioneer Natural Resources Company (i)	–	76,263	65,534	–	76,865	66,470
Other (k)	–	5,040	5,040	–	4,890	4,890
	$ –	$127,850	$122,278	$ –	$134,052	$121,473
Total Investments	$ (528)	$153,262	$147,417	$ 7,655	$179,965	$158,830

Note 6 • Investments, continued

Increases in investments and proceeds from disposal and dividends received from investments were as follows:

	Year ended December 31	
Increases in Investments	1999	1998
Cage Logistics Inc. (d)	$ 4,967	$ –
Richer Systems Group Inc. (g)	–	608
Other (k)	216	6,660
	$ 5,183	$ 7,268
Proceeds from disposal and dividends received		
BFC Construction Corporation (a)	$ 24,246	$ –
Bantrel Inc. (b)	–	1,600
BOVAR Inc. (c)	–	19,559
EVI Inc. (j)	–	9,494
Fort Chicago Energy Partners L.P. (h)	6,960	–
IITC Holdings Ltd. (e)	–	1,333
Intermap Technologies Ltd. (e)	–	437
Pioneer Natural Resources Company (i)	493	26,163
Other (k)	66	1,058
	$ 31,765	$ 59,644

(a) On December 16, 1999 the Corporation sold its approximate 22% interest in BFC Construction Corporation for $24.2 million, resulting in a $504,000 loss on disposal.

(b) During 1998 the Corporation received a $3.7 million dividend from Bantrel. This dividend was immediately re-invested in Bantrel shares for an additional 8.33% equity ownership. This increased the Corporation's equity in the company to 33.3%.

(c) BOVAR completed the sale of its non-waste management businesses during 1998. The Corporation received from BOVAR a $0.41 per share return of capital along with a $0.09 per share dividend on November 30, 1998 ($0.50 per share total).

(d) Effective October 1, 1999 the Corporation invested $5.0 million in Cage Logistics Inc., an oilfield transportation company, for an approximate 32% ownership interest in the company. The Corporation may invest up to an additional $10.0 million through a combination of warrants to purchase common shares and an acquisition line of credit.

(e) The voluntary liquidation of IITC which commenced in 1995 continued in 1999. At December 31, 1999 cumulative distributions received by the Corporation totaled $13.40 per IITC share or $29.8 million. The Corporation has received shares in Intermap, in addition to cash, in connection with the liquidation of IITC. The Corporation sold 1,250,000 Intermap shares during 1998 for $437,500 ($0.35 per share). The Corporation wrote-off its investment in Intermap during 1998 due to the financial performance of the company. The remaining assets of IITC were liquidated in 1999 and the Corporation anticipates receiving a final distribution in 2000 which approximates the carrying value of this investment.

(f) In December 1998 the Corporation contributed $4.2 million of assets relating to the "field support system" (dispatch, invoicing and driver pay information system) of its bulk trucking subsidiary to the Transportation Implementing Services Limited Partnership in exchange for an interest in the Limited Partnership. The Limited Partnership is managed by a subsidiary of TMW Trucking Systems, Inc. (the vendor of the software upon which the field support system is based). The Limited Partnership was established to provide development, training and implementation services to TMW and its customers. The equity earnings recorded in 1999 relate to the after tax depreciation charge on the contributed assets

(g) Richer Systems Group Inc. is involved in the development and sale of transportation related information technology systems. The Corporation made an additional investment of $608,000 in this company during 1998.
(h) During 1999 the Corporation disposed of 1,000,000 shares of the Fort Chicago Energy Partners L.P. for proceeds of $7.0 million, resulting in a gain on sale of $1.2 million.
(i) During 1998 the Corporation sold 731,842 Pioneer shares for proceeds of $26.2 million. An additional 1.58 million shares are subject to exchange under the $51.9 million exchangeable debenture described in Note 10 at a rate of $32.84 per Pioneer share.

The shares subject to the exchangeable debenture were written-down in 1998 to the exchange rate for the shares under the debenture. The remaining Pioneer shares were written-down to $US 15.00 ($23.07). Total after tax write-downs and losses on the sale of Pioneer shares were partially offset by a reversal, in 1998, of $7.4 million of the tax provision recorded in 1997. The net loss/write-down during 1998 on this investment was $13.1 million.

During 1999 the Corporation disposed of an additional 26,100 Pioneer shares, realizing $493,000 in proceeds and a loss of $109,000.
(j) On January 15, 1998 each of the Corporation's outstanding shares of Taro Industries Limited were exchanged for 0.123 shares of EVI, Inc., a publicly traded oilfield equipment manufacturing and supply company. The Corporation disposed of its investment in EVI in 1998, realizing a $970,000 gain on sale.
(k) In late 1997, the Corporation invested in a corporation involved in electronic grain trading and freight planning. The Corporation made an additional investment of $167,000 in this business in 1998. During 1999 the Corporation received $66,000 as a return of capital. During 1998 the Corporation made a loan of $5.1 million to a third party company involved in the transportation business. The loan bears interest at Canadian prime plus 1%, is secured by a second charge on the assets of the borrower and is repayable in equal quarterly payments commencing in 2000. The borrower made a voluntary prepayment of $1.0 million in September of 1998.
(l) The market value of the Corporation's investment in privately held companies, namely Bantrel, Cage, Transportation Implementing Services and Richer have been shown at the carrying value of each company. Management is of the opinion that the market value of these companies is in excess of their carrying value.

Note 7 • Acquisition of Transportation Businesses

During 1999 the Corporation purchased, for cash consideration, substantially all of the assets of the following companies:

Company	Effective Date	Type of Purchase	% Acquired
Amer-Liquid Transport Inc.	July, 1999	Share	80
Inter-Transfer Inc.	July, 1999	Share	100
J & L Trucking Ltd.	August, 1999	Share	100
Sullivan Brothers Fuels (1992) Ltd.	April, 1999	Asset	N/A
Roadmaster Transport	July, 1999	Asset	N/A
Gateway Fuels Ltd.	July, 1999	Asset	N/A
P & B Ltd.	July, 1999	Asset	N/A

The allocation of the purchase price for these acquisitions was as follows:

	1999
Working capital	$ 460
Fixed assets	4,094
Goodwill	1,292
Long term debt	(724)
Deferred tax	(890)
Minority interest	(53)
	$ 4,179

Note 8 • Fixed assets

The cost of fixed assets and net book value at December 31, by major classification are as follows:

	1999		1998	
	Cost	Net book value	Cost	Net book value
Highway transportation equipment	$ 307,247	$ 127,243	$ 295,197	$ 123,225
Lease and rental vehicles	377,145	249,682	354,154	238,968
Other	98,482	39,970	92,609	36,967
	782,874	416,895	741,960	399,160
Land, buildings and yard improvements	72,334	47,738	70,098	47,965
	$ 855,208	$ 464,633	$ 812,058	$ 447,125

Software development and interest costs capitalized in 1999 were $5.9 million (1998 - $9.0 million).

Note 9 • Bank Advances

Bank advances, secured primarily by accounts receivable, are at rates generally at prime with other rate options. Unused working capital facilities totaled $23.4 million at December 31, 1999.

Note 10 • Long Term Debt

Details of long term debt at December 31, are as follows:

	1999	1998
Bulk trucking		
Canada		
– Senior note (a)	$ 85,000	$ –
– Equipment loans (b)	2,430	84,547
	87,430	84,547
U.S.A. (c)	4,946	5,065
	92,376	89,612
Truck fleet management (d)	214,430	203,833
Corporate (e)	14,000	14,000
Exchangeable debenture (f)	51,881	51,881
	372,687	359,326
Less: current portion	1,797	1,722
	$370,890	$ 357,604

(a) The note is unsecured and interest is at a fixed rate of 7.29%. No payments on principal are required until August 20, 2008 at which time payments of $28.3 million are required annually until the note matures in full on August 20, 2010.

(b) The loans are unsecured. Interest rates are floating and range from Canadian prime to Canadian prime plus 0.4% with other rate options. The amounts outstanding are mainly revolving and may be terminated by defined notice. On termination, the loans are repayable primarily over a period of three years.

(c) The loans include revolving loans and, except for security on certain real estate, are unsecured. Interest rates are floating and range from U.S. base to U.S. base plus 1/2 % with other rate options. The revolving loans may be terminated by defined notice. On termination, the loans are repayable over a period of six to eight years.

(d) The loans are secured under a floating charge debenture or by security on specific lease and rental vehicles. Interest rates are fixed and floating. Fixed rates range from 5.3% to 9.8% and floating rates are generally at Canadian prime, with other rate options. Interest rates on $68.6 million of floating rate debt have been fixed by

swap contracts with rates ranging from 5.2% to 5.9%. The amounts outstanding are revolving and may be terminated by defined notice. On termination, the loans are repayable over periods of up to five years.

(e) The loan is secured by certain of the Corporation's publicly traded investment interests. There are no specific repayment terms. Interest rates are floating at Canadian prime with other rate options.

(f) During 1998 the Corporation issued, on a private placement basis, a $51.9 million debenture, exchangeable at any time after August 3, 1999 (at the option of the Corporation or the holder) for 1.58 million shares of Pioneer Natural Resources Company owned by the Corporation. The debenture matures in August 2008, subject to earlier redemption or exercise of exchange rights. The debenture bears interest at 1.6% per annum plus an additional rate equivalent to the dividends paid on the Pioneer shares subject to exchange. The Corporation's obligations under the debenture are secured by a pledge of the aforementioned 1.58 million shares of Pioneer.

(g) The terms of the loans in (a), (b), (c) and (d) above include certain covenants requiring the borrower to maintain specified cash flow, debt to equity, debt to earnings before interest, taxes and depreciation and net worth ratios.

(h) Unused lines of credit totaled $214.8 million at December 31, 1999.

(i) Amounts of long term debt repayable in the years ending December 31 are:

	Truck Fleet Management	Other
2000	$ 43,686	$ 1,797
2001	27,695	1,729
2002	7,955	1,189
2003	9,097	414
2004	638	387
Thereafter	125,359	152,741
	$ 214,430	$158,257

Long term debt payments in the truck fleet management subsidiary will not be made out of existing current funds but rather paid out of the following years' collections on long term leases and through the subsidiaries' ability to refinance current obligations on a long term basis through available credit facilities. Accordingly, they are not classified as current liabilities.

(j) Certain of the long term debt is payable in U.S. dollars. The Canadian dollar equivalent of this debt was $16.7 million at December 31, 1999.

Note 11 • Share Capital

The authorized capital of Trimac Corporation consists of an unlimited number of common shares, Class A Preferred Shares and Class B Preferred Shares. No preferred shares were issued as at December 31, 1999 and December 31, 1998.

Common shares	Issued	
	Number of shares	Amount
Issued as at December 31, 1998	33,719,289	$ 70,380
Shares issued on exercise of options	6,200	37
Issued as at December 31, 1999	33,725,489	$ 70,417

In August 1998, the Corporation purchased 6,190,416 of its common shares under a substantial issuer bid at a price of $10.50 per share for total consideration of $65.0 million. A further 1,036,000 common shares were purchased during 1998 at an average price of $9.74 per share pursuant to the Corporation's normal course issuer bid program. Share capital was charged with an amount equal to the average stated capital of $2.10 per share and the remainder was charged to retained earnings.

Note 11 • Share Capital, continued

Stock-based compensation plans

At December 31, 1999 the Corporation had two stock-based compensation plans which are described below.

Executives and certain key employees may participate in the Employee Stock Option Plan. The Governance and Human Resources Committee of the Board of Directors is authorized to determine the size of the grants and the participants in the plan. Options granted under the plan are issued at fair market value, based on the market price of the Corporation's common shares at the time of the grant. Options granted generally have a term of five years and vest at 20% per year on a cumulative basis. Grants of options are made annually and the guidelines for the size of the grants are determined by a formula whereby a portion of the participant's salary is divided by the market price of the Corporation's common shares at the time of the grant.

A policy of granting supplementary stock options to executives, tied to total shareholder returns, is also in place. Options under this policy were granted in 1997 and have a term of seven years and vest based on the attainment of a specified total shareholder return per year. Grants of these supplementary options and the terms of such grants are considered at three year intervals.

Common shares reserved

At December 31, 1998 and 1999 common shares of Trimac Corporation were reserved for options granted to officers and employees under the plans described above as follows:

Expiry Date	Price per share	At December 1998	Issued	Exercised or Cancelled	At December 1999
May 4, 1999	$ 8.09	19,700	–	19,700	–
August 10, 1999	8.15	203,500	–	203,500	–
November 21, 2000	5.94	307,600	–	9,100	298,500
February 26, 2001	6.20	98,500	–	–	98,500
February 20, 2002	9.61	307,900	–	15,900	292,000
November 18, 2002	11.25	262,500	–	18,000	244,500
February 15, 2003	9.30	20,000	–	–	20,000
November 17, 2003	7.85	415,000	–	13,000	402,000
February 20, 2004	9.61	520,000	–	–	520,000
April 4, 2004	6.80	–	40,000	–	40,000
November 23, 2004	7.00	–	374,000	–	374,000
		2,154,700	414,000	279,200	2,289,500

Note 12 • Segmented Information

The Corporation conducts its business through wholly owned subsidiaries which are involved in two business segments: bulk trucking services (highway transportation of bulk materials) and truck fleet management (leasing/rentals and vehicle maintenance). The Corporation also has investments in other companies, the operations of which include engineering and construction (engineering); oil and gas exploration and production and natural gas transmission and extraction (oil and gas); environmental services (environmental); oilfield transportation (oilfield transportation) and other operations including software development and implementation (other) :

By Industry segment - December 31, 1999	Operating revenues	Earnings before unusual items	Interest Expense	Depreciation and amortization	Capital expenditures	Identifiable assets
Subsidiaries:						
Bulk trucking	$450,578	$ 16,839	$ 6,681	$ 35,006	$ 47,716	$289,404
Truck fleet management	172,289	5,083	15,441	56,831	115,703	303,036
Other	1,362	(7,085)	1,566	336	3,384	5,353
	624,229	14,837	23,688	92,173	166,803	597,793
Investments (a)						
Oil and gas	–	–	–	–	–	110,035
Engineering	–	–	–	–	–	5,861
Environmental	–	–	–	–	–	20,872
Oilfield transportation	–	–	–	–	–	4,981
Other	–	–	–	–	–	11,513
	–	–	–	–	–	153,262
	$624,229	$ 14,837	$ 23,688	$ 92,173	$166,803	$751,055

By Industry segment - December 31, 1998	Operating revenues	Earnings before unusual items	Interest Expense	Depreciation and amortization	Capital expenditures	Identifiable assets
Subsidiaries:						
Bulk trucking	$443,392	$ 19,236	$ 6,310	$ 32,279	$ 44,816	$268,477
Truck fleet management	164,266	6,095	14,207	52,567	129,862	288,377
Other	–	(7,567)	1,534	86	21	(472)
	607,658	17,764	22,051	84,932	174,699	556,382
Investments (a)						
Oil and gas	–	–	–	–	–	116,387
Engineering	–	–	–	–	–	32,191
Environmental	–	–	–	–	–	19,506
Other	–	–	–	–	–	11,881
	–	–	–	–	–	179,965
	$607,658	$ 17,764	$ 22,051	$ 84,932	$174,699	$736,347

Note 12 • Segmented Information, continued

	December 31					
	1999			1998		
By Geographic area	Operating revenues	Earnings before unusual items	Fixed assets & goodwill	Operating revenues	Earnings before unusual items	Fixed assets & goodwill
Canada	$ 455,141	$ 33,080	$ 391,889	$ 444,456	$ 35,394	$ 373,733
United States	169,088	5,541	79,399	163,202	4,814	79,886
Other	–	(96)	–	–	(393)	–
	624,229	38,525	471,288	607,658	39,815	453,619
Interest	–	(23,688)	–	–	(22,051)	–
	$ 624,229	$ 14,837	$ 471,288	$ 607,658	$ 17,764	$ 453,619

(a) Results from investments are not consolidated on a line by line basis, therefore operating revenues, earnings before unusual items, interest expense, depreciation and amortization and capital expenditures are not applicable. Identifiable assets represent carrying value.

Note 13 • Uncertainty due to the Year 2000 Issue

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue that may affect the entity, including those related to customers, suppliers or other third parties, have been fully resolved.

Note 14 • Subsequent Event

On January 18, 2000 the Corporation purchased all of the shares of DSI Transports Inc. (DSI) for approximately $US 68.3 million plus estimated transition and integration costs of $US 4.1 million (total of $US 72.4 million, $CDN 105.0 million). DSI, headquartered in Houston, Texas, provides truck transportation services to chemical manufacturers and distributors of liquid chemical, petroleum and dry bulk products in the United States. The purchase was funded by $US 16.2 million of cash and $US 52.1 million of bank financing. The purchase consideration is estimated to be allocated as follows:

(thousands of US dollars)	
Working capital	$ 8,200
Fixed assets	61,700
Goodwill	11,200
Long term debt	(8,700)
	$ 72,400

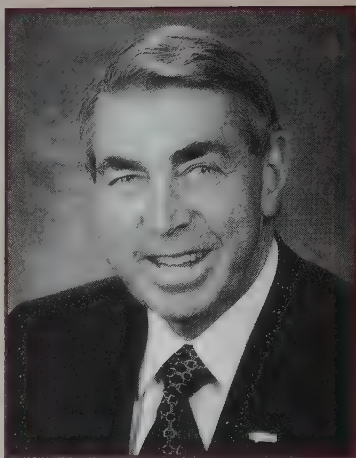
Note 15 • Contingencies and Commitments

(a) As at December 31, 1999 the Corporation had lease commitments of $39.3 million. Required annual payments are as follows:

2000	$ 13,217	2002	$ 5,343	2004	$ 3,232
2001	7,029	2003	4,630	Thereafter	5,869

(b) The Corporation is involved in various legal actions which have occurred in the ordinary course of business. Management is of the opinion that losses, if any, arising from such legal actions would not have a material effect on these financial statements.

(c) On February 1, 1997 Trimac Limited completed a Plan of Arrangement whereby Trimac Limited was divided into two public companies, Trimac Corporation and Kenting Energy Services Inc. ("Kenting"). Under the Plan of Arrangement, each of the Corporation and Kenting have indemnified the other for any liabilities which arise from matters related to activities carried on by the other company or activities that had ceased prior to the effective date of the Plan of Arrangement.



> "Good corporate governance is central to our commitment to maximize shareholder value. The Board of Directors of Trimac is committed to increasing shareholder value through the evolution of Trimac to a focused transportation company."

J.R. (Bud) McCaig
Director since 1970
Chairman of the Board, Trimac Corporation, Calgary

Corporate Governance / Senior Management

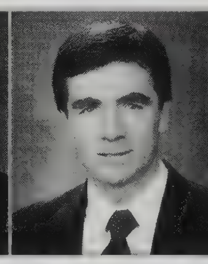
Corporate Governance

Trimac's board of directors and senior management consider good corporate governance to be central to their fundamental obligation to maximize shareholder value. The Corporation has in place a system of corporate governance which the board of directors and senior management believe has an orientation which reflects the nature of the Corporation's businesses, organization and decision making structure. Further particulars of the corporate governance practices of Trimac are contained in Trimac's information circular dated February 16, 2000.

Maurice W. McCaig
Director since 1971
President,
Mo-Mac Investments Ltd.
Calgary

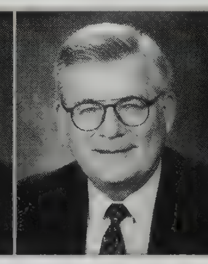
Murrey Dubinsky, Q.C.
Director since 1971
President, Administrative Consultants Ltd.
Calgary

Rhys T. Eyton
Director since 1984
Corporate Director
Calgary

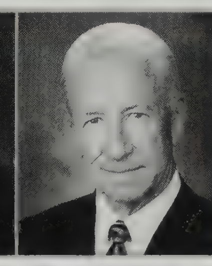


Jeffrey J. McCaig
Director since 1990
President & C.E.O.
Trimac Corporation
Calgary

John M. MacLeod
Director since 1993
Corporate Director
Calgary



Arthur R. Sawchuk
Director since 1998
Chairman, Manulife Financial Corporation
Toronto



Thomas L. Hardeman
Director since 1998
Corporate Director
Texas

Trimac Senior Management

The leadership style of Trimac utilizes the diverse set of skills, expertise and experience of senior management and encourages a group decision making process to review and implement significant strategic decisions. This style of leadership also recognizes and utilizes the abilities and commitment of our employees who are so vital to the success of our service businesses.

Senior management's primary role is creating and maximizing shareholder value and to do so in a manner consistent with the Corporation's core values. This responsibility is reinforced through performance based compensation.

Robert D. Algar
Vice President,
Corporate Development
Trimac Corporation

Terry J. Owen
Vice President,
Chief Financial Officer
Trimac Corporation

Jeffrey J. McCaig
President,
Chief Executive Officer
Trimac Corporation

Andrew B. Zaleski
Vice President, Trimac;
President, Trimac Transportation System

Ron W. Waye
Vice President, Trimac;
President, Rentway

Shareholder Information

Share Performance • Cumulative value of a $100 investment (as of December 31)*

	Dec-89	Dec-90	Dec-91	Dec-92	Dec-93	Dec-94	Dec-95	Dec-96	Dec-97	Dec-98	Dec-99
●	$100	$113	$147	$165	$280	$231	$227	$311	$410	$283	$318
■	$100	$ 85	$ 95	$ 94	$125	$124	$143	$183	$210	$207	$273

* Assuming reinvestment of dividends and value of Kenting Energy Services Inc. shares spun-out to shareholders on February 1, 1997.

Dividends (per share)

1999	$ 0.10
1998 (1)	$ 0.18
1997	$ 0.18
1996	$ 0.18
1995	$ 0.18
1994	$ 0.15

(1) Includes $0.08 per share special dividend

Scheduled Financial Reporting Dates

First Quarter	May 5, 2000
Second Quarter	August 10, 2000
Third Quarter	November 6, 2000
Fourth Quarter	February, 2001

Corporate Responsibility

Safety

"Service with Safety" has been Trimac's motto since its beginning in 1945. Trimac Transportation System and Rentway are committed to continuous improvement in safety performance. Operating personnel are specially trained to maintain a safe working environment for employees, customers and the general public. Trimac Transportation System and Rentway are also active in the establishment of truck safety standards throughout Canada through their participation and leadership in industry associations.

Environment

Trimac is committed to conducting its business in a manner that preserves and protects the environment. It is the policy of the Corporation to exercise responsible stewardship of the environment in the conduct of the Corporation's activities. The Corporation's businesses have established policies, practices and standards that require compliance with all applicable laws and regulations and regular reporting to the Board of Directors of the Corporation with respect to environmental issues.

Shareholders' Meeting Thursday, March 30, 2000, 10:30 a.m.
The Metropolitan Centre, Ballroom,
333 - 4th Avenue S.W.

Shareholder Enquiries (403) 298-5100

Investor Relations Enquiries (403) 298-5105

Media Enquiries Terry J. Owen, Vice President & C.F.O.

Stock Exchange Listing Toronto

Ticker Symbol TMA

TSE Index Transportation and Environmental Services

Total Employees 12/31/99* 6,479

Shares Outstanding 12/31/99 33,725,489

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Telephone: (403) 232-2400
Facsimile: (403) 264-2100
E-mail: inquiries@cibcmellon.ca
Website: www.cibcmellon.ca
Answerline: 1-800-387-0825

Auditors PricewaterhouseCoopers LLP, Calgary

* Includes employees of DSI Transports, acquired January 2000

Facilities

North American Network of Facilities

	Canada	U.S.A.	Total
● Trimac Transportation System • Existing Operations	72	30	102
◆ Trimac Transportation System • Newly Acquired DSI Operations	0	34	34
▲ Rentway	36	5	41
Total	108	69	177

Corporate Information

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Barry W. Davy	Vice President, Quality Assurance
Norm W. Kennedy	Vice President & Controller
Kim P.J. Miller	Vice President, Human Resources
A. Lorne Pomeroy	Vice President, Finance and Corporate Services

Canada

Rick G. Reynolds	Vice President, Western Division
Everett J. Rivait	Vice President, Eastern Division
Glenn W. Sherman	Vice President, Business Development, Eastern Division

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Stu J. Axelrod	Vice President, Chemical Division
Ken L. Lutz	Vice President, Dry Bulk & Mining Services Division
Jim D'Alessio	Vice President Marketing & Business Development

DSI Transports, Inc.
15600 J.F. Kennedy Blvd., Suite 600
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Houston, Texas 77267-4421

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Nick L. Braden	Vice President, Sales
John W. Jackson	Vice President, Pricing & Methods
Marvin E. Melson	Vice President, Operations

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Douglas H. Heuman	Vice President, Finance
Fred W. Hildebrand	Vice President, Ontario Division
M. Paul Taylor	Vice President, Quality
Bruce J. Toner	Vice President, Sales & Marketing, and Human Resources

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Bryan F. Barshel	Controller

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Mike Neumerski	Vice President
David Parky	Vice President
Bill R. Smith	Vice President
Dick L. Toler	Vice President
Lloyd L. Ash	General Manager Trimac Consulting Services Ltd.

Officers of Trimac Corporation

J.R. (Bud) McCaig	Chairman
Jeffrey J. McCaig	President & Chief Executive Officer
Andrew B. Zaleski	Vice President, Trimac & President, Trimac Transportation System
Ron W. Waye	Vice President, Trimac & President, Rentway
Terry J. Owen	Vice President & Chief Financial Officer
Robert D. Algar	Vice President, Corporate Development
C. Ted Barnicoat	Chief Information Officer
Robert J. Kennedy	Vice President, General Counsel & Corporate Secretary
Kerri L. Tareta	Assistant Corporate Secretary

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Interim Report

2000 Second Quarter Results - For Release August 10, 2000

Trimac Corporation

AR33

Trimac Announces Second Quarter Results

Trimac Corporation
Summary of Financial Results
(thousands of dollars except per share amounts)

	Three months ended June 30		Six Months Ended June 30	
	2000	1999	2000	1999
Revenues	$180,067	$113,131	$334,215	$218,801
Earnings of continuing operations before unusual items and equity accounted investments	3,258	1,548	3,008	964
per share	0.10	0.05	0.09	0.03
(Loss) earnings before discontinued businesses	(845)	2,389	(1,325)	1,811
per share	(0.03)	0.07	(0.04)	0.05
Net (loss) earnings	(1,154)	3,399	(856)	2,990
per share	(0.04)	0.10	(0.03)	0.09
Cash from operations	18,023	10,955	29,971	19,565
Number of common shares outstanding	33,679,589	33,719,289	33,679,589	33,719,289

Second quarter results – Net results from the Corporation's bulk trucking business in the quarter showed earnings of $3.3 million ($0.10 per share) as compared to earnings of $1.5 million ($0.05 per share) in 1999. Improved operating results in the U.S. were the primary reason for the increase over 1999. Net results from continuing businesses do not include the amortization of goodwill.

On an aggregate basis, Trimac lost $1.2 million ($0.04 per share) in the second quarter of 2000 compared to earnings of $3.4 million ($0.10 per share) in the same period last year. As announced on July 4, 2000, the Corporation has entered into an agreement to sell its truck fleet management subsidiary, Rentway. Accordingly, net results of Rentway have been disclosed on a retroactive basis as results from discontinued businesses (see Note 1 to the financial statements). The Corporation realized a $0.13

per share loss on the sale of certain investment interests in the quarter as compared to a $0.03 per share gain on investment sales in the second quarter of 1999. For the six months ended June 30, 2000 Trimac lost $856,000 ($0.03 per share) as compared to earnings of $3.0 million ($0.09 per share) in the same period last year.

Bulk Trucking

(thousands of dollars)	Three Months Ended June 30 2000	1999	Six Months Ended June 30 2000	1999
Revenues	$177,829	$112,695	$329,899	$218,365
Earnings before interest, taxes, depreciation and amortization	24,523	14,734	40,877	25,515
Earnings before interest and taxes	11,353	6,281	16,248	8,911
Earnings before taxes	7,288	4,785	8,927	6,022
Cash from operations	19,664	13,185	32,756	23,752

Revenues for the quarter were $177.8 million, an increase of $65.1 million over the second quarter of 1999. DSI Transports, acquired effective January 18, 2000, contributed $54.4 million of the increase with existing U.S. operations contributing $7.4 million and Canadian operations contributing the remainder of the increase. Substantially all of the increase in Canada was realized in the eastern region as the western region volumes were essentially flat to the prior year. The increase in revenues in existing U.S. operations was split fairly evenly between the eastern based chemicals division and the western based dry bulk and mining division.

Earnings before interest and taxes (EBIT) of $11.4 million were $5.1 million higher than last year's EBIT of $6.3 million. U.S. operations showed a $4.1 million increase with DSI contributing $2.3 million in the quarter while EBIT of existing U.S. operations increased by $1.8 million over the prior year to $3.0 million. The increase from existing U.S. operations was primarily due to the above noted revenue increases as well as reduced overhead costs. EBIT in Canada improved by $1.0 million over the second quarter of 1999 to $6.0 million, primarily due to improved insurance claims experience and overhead savings.

Total pretax earnings increased by $2.5 million over the second quarter of 1999 as the above noted operating gains were partially offset by higher interest costs of $2.6 million in the period as compared to the prior year. The higher interest costs were due to increased debt levels arising from the financing of the DSI acquisition and higher interest rates as compared to the second quarter of 1999.

Truck Fleet Management Services

(thousands of dollars)	Three Months Ended June 30 2000	1999	Six Months Ended June 30 2000	1999
Revenues	$43,265	$43,600	$86,568	$84,722
Earnings before interest, taxes, depreciation and amortization	18,726	20,187	38,079	38,525
Earnings before interest and taxes	4,143	6,033	9,718	10,602
Earnings before taxes	(131)	2,273	1,607	3,098
Cash from operations	13,418	14,333	27,213	27,245

As previously noted, Rentway's net results have been disclosed on a retroactive basis as results from discontinued businesses (see Note 1).

Rentway's revenues decreased to $43.3 million in the second quarter of 2000 from $43.6 million in the second quarter of 1999. Revenues in the U.S. increased by $520,000 in the quarter to $4.1 million primarily as a result of a new dedicated maintenance shop operation in Reading, PA. This was more than offset by reduced revenues of $855,000 in Canada.

On a product line basis, revenues in the quarter compare to the prior year as follows: full service lease - 4% increase; Trukcare - 2% increase; commercial rental - 4% decrease; and project rental - 26% decrease. Commercial Rental revenues decreased on a year over year basis as high fuel prices continue to impact trucking and transportation markets. In Project Rental, reduced major project rental activity in the Atlantic provinces and the lack of availability of some product categories needed to satisfy orders resulting in lower revenues.

A pretax loss of $131,000 was incurred in the quarter as compared to a $2.3 million profit in the same period of 1999. Canadian operations broke even in the quarter which was $2.3 million less than earnings for the quarter in 1999. The reduced earnings were primarily due to low Commercial Rental utilization rates, which were impacted by high fuel costs, lower freight volumes and competitive pressures; lower Project Rental activity; and lower than budgeted shop productivity which resulted in unabsorbed overheads. U.S. operations showed a pre tax loss of $164,000 in the quarter which was slightly greater than last years $33,000 loss for the same period.

Unusual Items

The unusual loss of $6.4 million in the quarter related to losses realized on the disposal of shares of Pioneer Natural Resources and Newalta Corporation. The gain of $1.2 million during the same period of 1999 was on the disposal of 1.0 million units of Fort Chicago Energy Partners.

Equity Accounted Investments

After tax earnings from equity accounted investments were $920,000 in the second quarter of 2000 as compared to $174,000 in the same period of 1999.

Other Developments and Information

Strategic Repositioning

On July 4, 2000 Trimac announced a strategic repositioning of the Corporation to increase the Corporation's focus on its bulk trucking and third party logistics businesses. In conjunction with this announcement, the Corporation announced the following initiatives:

(1) The entering into of a definitive agreement to sell Rentway for $105 million. The sale, subject to the satisfaction of certain conditions and regulatory approvals, is expected to be completed on or about August 31, 2000. An after tax gain of approximately $48 million is expected to be realized on closing of the sale.

(2) The sale of $25 million of non-strategic investment interests and the planned divestiture of $80 million of remaining non-strategic investment interests over approximately the next six months.

(3) The repayment of $28 million of outstanding Corporate debt and the proposed repayment of approximately $60 million of debt of Trimac Transportation System upon the completion of these initiatives.

(4) The launching of a substantial issuer bid providing for the repurchase of up to $80 million of common shares at a price of $9.00 per share.

On August 3, the Corporation repurchased approximately 6.3 million shares under the issuer bid for a total of approximately $57 million. The purchase was financed by drawing on the bridge financing facility arranged for this purpose with a Canadian chartered bank. The bridge facility will be repaid from the proceeds of the sale of non-strategic investment interests and Rentway. The Corporation now has 27,392,757 common shares outstanding.

Investments

During the second quarter management sold approximately $25 million of non-strategic investment interests, including all of its 1.05 million of remaining Pioneer shares.

In July, the Corporation sold a further 1.05 million units of Fort Chicago Energy Partners at $8.25 per unit for proceeds of approximately $8.6 million. An after tax gain of approximately $1.8 million is expected to be realized in the third quarter in connection with such sale.

Normal Course Issuer Bid

The Corporation has renewed its normal course issuer bid for the 12 month period ending August 7, 2001. During the term of the normal course issuer bid, the Corporation is permitted to repurchase up to 1,365,000 shares, representing approximately 5% of the outstanding shares, at an aggregate acquisition cost of up to $17.0 million.

Outlook

The bulk trucking results for the second quarter, which include the first full quarter of results from DSI, were generally in accordance with management's expectations. Management is encouraged by the revenue increases in existing operations and the improved results from operating efficiencies, including synergies which the Corporation has begun to realize as a result of the DSI acquisition. Offsetting these more positive trends are high fuel costs and driver shortages which continue to impact the transportation industry. In addition, Trimac Transportation System's western Canadian operations have performed below expectations as volumes continue to lag the perceived increase in activity levels in this region.

The major focus for the balance of 2000 will continue to be on improving the efficiency and profitability of our bulk trucking operations. This is expected to be accomplished through synergies achieved from the combination of DSI with Trimac Transportation's existing operations and the efforts of the newly created "Operations Development" department which has been mandated to lower costs and enhance customer service by maximizing the use of new information system tools, streamlining internal processes, spreading best practices and establishing new metrics for performance improvements. Management also expects to see increased activity in the western Canadian and U.S. resource sectors (pulp and paper, and oil and gas) due to higher commodity prices and increased demand from Asian based purchasers of these commodities. Activity in the eastern Canadian and U.S. based markets is also expected to continue to mirror the relatively strong economic conditions in these markets. Management will continue to take steps to mitigate the impact of high fuel costs, driver shortages and competitive market conditions.

Trimac Corporation provides services in the highway transportation of bulk commodities, truck fleet management and third party logistics. Trimac's shares are traded on The Toronto Stock Exchange under the symbol TMA.

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For further information:

Terry J. Owen
Vice President & Chief Financial Officer
Trimac Corporation
(403) 298-5101

TRIMAC CORPORATION
CONSOLIDATED STATEMENT OF EARNINGS

(thousands of dollars except per share amounts)	Period ended June 30			
	Three months		Six months	
	2000	1999	2000	1999
		(restated - Note1)		(restated - Note1)
	(unaudited)		(unaudited)	
Revenue	$ 180,067	$ 113,131	$ 334,215	$ 218,801
Operating costs and expenses				
Direct	129,555	81,333	247,300	159,503
Selling and administrative	27,090	18,394	47,963	36,698
Depreciation and amortization	13,247	8,566	24,819	16,738
(Gain) loss on sale of assets (net)	(47)	27	379	17
	169,845	108,320	320,461	212,956
Operating earnings	10,222	4,811	13,754	5,845
Interest - long term debt	4,142	1,418	7,636	2,838
Interest - other (net)	377	495	555	850
	4,519	1,913	8,191	3,688
Earnings before unusual items	5,703	2,898	5,563	2,157
Unusual items - investment (losses) gains	(6,419)	1,200	(6,184)	1,315
(Loss) earnings before taxes	(716)	4,098	(621)	3,472
Income tax expense (recovery)				
Current	998	518	882	(689)
Future	(508)	1,193	(301)	2,243
	490	1,711	581	1,554
(Loss) earnings before minority interest and equity accounted investments	(1,206)	2,387	(1,202)	1,918
Minority interest	(20)	-	(39)	-
Equity accounted investments	920	174	866	237
(Loss) earnings before amortization of goodwill	(306)	2,561	(375)	2,155
Amortization of goodwill (net of tax)	(539)	(172)	(950)	(344)
(Loss) earnings before discontinued businesses	(845)	2,389	(1,325)	1,811
Discontinued businesses (net of tax) (Note 1)	(309)	1,010	469	1,179
Net (loss) earnings	$ (1,154)	$ 3,399	$ (856)	$ 2,990
(Loss) earnings per share				
Before amortization of goodwill	(0.01)	0.07	(0.01)	0.06
Before discontinued businesses	(0.03)	0.07	(0.04)	0.05
Net (loss) earnings	(0.04)	0.10	(0.03)	0.09

TRIMAC CORPORATION
CONSOLIDATED BALANCE SHEET

(thousands of dollars)	June 30 2000	December 31 1999	June 30 1999
Assets			
Current assets			
Cash and term deposits	$ 3,135	$ 12,070	$ 14,184
Accounts receivable	87,939	83,494	77,516
Income taxes recoverable	641	862	2,665
Materials and supplies	3,610	8,525	8,616
Prepaid expenses	29,195	18,815	23,170
Assets of discontinued businesses (Note 1)	344,233	-	-
	468,753	123,766	126,151
Investments	123,817	153,262	173,774
Fixed assets, at cost	566,787	855,208	860,708
Less: Accumulated depreciation	(269,200)	(390,575)	(374,282)
	297,587	464,633	486,426
Goodwill	25,875	6,655	6,076
Other	2,213	2,739	608
	$ 918,245	$ 751,055	$ 793,035
Liabilities and shareholders equity			
Current liabilities			
Bank advances, secured	$ 9,521	$ 16,622	$ 26,354
Income taxes payable	-	-	-
Current maturities of long term debt	5,039	1,797	1,635
Liabilities of discontinued businesses (Note 1)	306,002	-	-
	388,302	83,834	97,044
Long term debt			
Truck fleet management	-	214,430	241,948
All other long term debt	254,655	156,460	161,193
	254,655	370,890	403,141
Future income taxes	21,568	41,579	39,994
Minority interest	160	117	-
Shareholders equity			
Common share capital	70,326	70,417	70,380
Cumulative translation adjustment	10,898	7,387	8,593
Retained earnings	172,336	176,831	173,883
	253,560	254,635	252,856
	$ 918,245	$ 751,055	$ 793,035

TRIMAC CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOW

(thousands of dollars)	Period ended June 30			
	Three months		Six months	
	2000	1999	2000	1999
		(restated - Note1)		(restated - Note1)
	(unaudited)		(unaudited)	
Cash provided (used)				
Operations:				
(Loss) earnings before amortization of goodwill	$ (306)	$ 2,561	$ (375)	$ 2,155
Depreciation and amortization	13,247	8,566	24,819	16,738
(Gain) loss on sale of assets (net)	(47)	27	379	17
Future income taxes	(508)	1,193	(301)	2,243
Equity accounted investments - net earnings	(920)	(174)	(866)	(237)
Unusual items - investment losses (gains)	6,419	(1,200)	6,184	(1,315)
Other	138	(18)	131	(36)
Cash from operations	18,023	10,955	29,971	19,565
Cash provided by unusual items	188	99	423	214
Cash provided by discontinued businesses (Note 1)	7,179	18,160	14,779	28,689
Net change in non-cash working capital balances	(16,702)	(5,329)	5,067	(7,955)
Net cash flow	8,688	23,885	50,240	40,513
Investing:				
Purchase of fixed assets	(17,893)	(17,735)	(34,155)	(33,511)
Proceeds on sale of fixed assets	807	2,419	1,173	4,095
Acquisition of transportation businesses	-	-	(111,514)	-
Increase in investments	(92)	(83)	(182)	(164)
Proceeds from disposal of investments	24,750	7,519	24,750	7,519
Investing activities of discontinued businesses (Note 1)	(32,035)	(46,530)	(62,292)	(55,028)
Other	(2,095)	(897)	(822)	(1,102)
Cash used in investing	(26,558)	(55,307)	(183,042)	(78,191)
Financing:				
Repayment of long term debt	(17,964)	-	(18,844)	(1,435)
	(2,565)	4,160	83,637	7,565
Net change in bank advances	(4,013)	2,144	(2,991)	7,445
Increase in common shares	7	-	7	-
Repurchase of common shares	-	-	(316)	-
Dividend paid on common shares	-	-	(3,368)	(3,371)
Financing activities of discontinued businesses (Note 1)	25,669	33,999	48,401	32,967
Cash provided by financing	19,098	40,303	125,370	44,606
Net increase (decrease) in cash	1,228	8,881	(7,432)	6,928
Cash position, beginning of the period	3,410	5,303	12,070	7,256
Less: ending cash position of discontinued businesses	(1,503)	-	(1,503)	-
Cash position, end of the period	$ 3,135	$ 14,184	$ 3,135	$ 14,184

TRIMAC CORPORATION
CONSOLIDATED STATEMENT OF RETAINED EARNINGS

(thousands of dollars)	June 30 2000	December 31 1999	June 30 1999
Retained earnings, beginning of year	$ 176,831	$ 174,264	$ 174,264
Net (loss) earnings	(856)	5,938	2,990
Dividend paid on common shares	(3,368)	(3,371)	(3,371)
Repurchase of common shares	(218)	-	-
Payment for employee stock options	(53)	-	-
Retained earnings, end of period	$ 172,336	$ 176,831	$ 173,883

Trimac Corporation
Notes to Consolidated Financial Statements
(tabular amounts in thousands of dollars)

Note 1 – Discontinued business

On July 4, 2000 Trimac Corporation ("the Corporation") announced a strategic repositioning of the Corporation. As part of this decision, an agreement has been entered into to dispose of Rentway, the Corporation's wholly-owned truck fleet management subsidiary. The sale is expected to be completed on or about August 31, 2000.

Accordingly, disclosure of the Corporation's consolidated statement of earnings and consolidated statement of cash flow has been restated on a retroactive basis to separately disclose the Corporation's results from continuing operations and those from discontinued businesses. Assets and liabilities have been segregated between continuing businesses and discontinued businesses on the Consolidated balance sheet on a prospective basis. Summarized results and financial position of Rentway is as follows:

Statement of Earnings
Period Ended June 30

	Three Months		Six Months	
	2000	1999	2000	1999
Revenues	$ 43,265	$ 43,600	$ 86,568	$ 84,722
Costs	43,396	41,327	84,961	81,624
(Loss) earnings before taxes	(131)	2,273	1,607	3,098
Income tax expense	178	1,263	1,138	1,919
Net (loss) earnings	$ (309)	$ 1,010	$ 469	$ 1,179

Balance Sheet
June 30, 2000

Assets	
Current assets	$ 39,420
Fixed assets, net	304,100
Other assets	713
	344,233
Liabilities	
Current liabilities	21,492
Long term debt	264,716
Deferred taxes	19,794
	306,002
Net Assets	$ 38,231

Note 1 - continued

Statement of Cash Flow
Period Ended June 30

	Three Months		Six Months	
	2000	1999	2000	1999
Operating				
Cash from operations	$ 13,418	$ 14,333	$ 27,213	$ 27,245
Change in non-cash working capital balances	(6,239)	3,827	(12,434)	1,444
	7,179	18,160	14,779	28,689
Investing				
Net capital expenditures	(32,065)	(46,852)	(62,057)	(55,257)
Other	30	322	(235)	229
	(32,035)	(46,530)	(62,292)	(55,028)
Financing				
Net change in long term debt	30,093	39,109	49,906	38,115
Change in bank advances	(4,424)	(5,110)	(1,505)	(5,148)
	25,669	33,999	48,401	32,967
Intercompany payment	(325)	(325)	(650)	(650)
Net increase in cash	$ 488	$ 5,304	$ 238	$ 5,978